ANNUAL REPORT

OF THE

NDIAN MERCHANTS' CHAMBER

FOR THE YEAR

1925

(Presented to the Annual General Meeting of the Chamber held on 23rd January 1926).

Printed by

JADAVJI PITAMBER THAKKER, at the Lady Northcote Hindu Orphanage, K. N. Sailor Press, 3, Chowpati Road, Bombay No. 7

Published by

J. K. MEHTA, Secretary, Indian Merchants' Chamber, Canada Building, 3, Home Street, Fort, Bombay.

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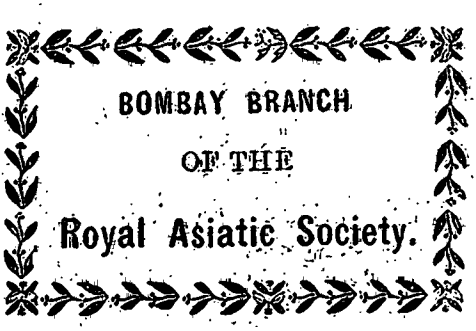

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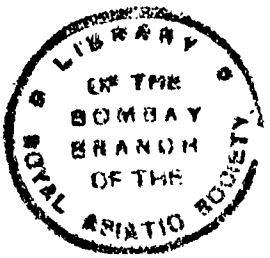

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LIST OF MEMBERS OF THE INDIAN MERCHANTS' CHAMBER.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
1	Hon. Sir Dinshaw Edulji Wacha	Messrs. Morarjee Gocouldas & Co.	Sudama House, Ballard Estate, Fort, Bombay
2	Mr. Chunilal Devkaran Nanji	,, Chhugandas & Co.	Circle, Fort, Bombay.
3	,, Pragji Surji	,, Pragji Surji & Co.	Vadgadi, Mandvi, Bombay.
4	,, Mulji Haridas	Mr. Mulji Haridas	Carnac Bunder, Bombay.
5	Hon. Mr. Munmohandas Ramji	Hon. Mr. Munmohandas Ramji	Shustri Building, Circle, Bombay.
6	Mr. Laxmidas Purshottam Vandravan	Messrs. Pragji Vandravan & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
7	,, Haridas Morarji Velji	,, Morarji Velji & Co.	,, ,, ,, Nava Govind Chawk, Bombay
8	,, Jamnadas Devidas	,, Jethabhai Govindji & Co.	,, ,, ,, Sir Vithaldas Galli, Bombay
9	,, Jethabhai Kalyanji	,, Valji Shamji & Co.	,, ,, ,, Chawk, Bombay
10	,, Vallabhdas Chaturbhuj Shivji	,, Chaturbhuj Shivji & Co.	,, ,, ,, Chikhal Galli, Bombay
11	,, Mathuradas Valji	,, Valji Sunderji & Co.	,, ,, ,, Ghadial Galli, Bombay
12	,, Bhukhandas Govindji	,, BhukhandasGovindji & Co.	,, ,, ,, Dadar Galli, Bombay
13	,, Dwarkadas Ravji Naranji	,, Ravjibhai Naranji & Co.	,, ,, ,, Krishnaraj Galli, Bombay
14	,, Vusanji Naranji	,, Vusanji Naranji & Co.	,, ,, ,, Pragraj Galli, Bombay
15	,, Mathuradas Haridas	,, Damodar Haridas & Co.	,, ,, ,, Chikhal Galli, Bombay
16	,, Devidas Madhowji Thackersey	,, Madhowji Thackersey &Co	22,29 Picket Cross Road, Bombay

17	Mr. Madhowji Jesang	Messrs. Ramdas Madhowji & Co.	Mulji Jetha Market, Nava Narayan Chawk, Bombay
18	„ Vithaldas Damodar Govindji.	„ Damodar Govindji & Co.	„ „ „ Chawk, Bombay
19	„ Balvant Ramchandra	„ Bhalchandra Balvant & Co	„ „ „ Narayan Chawk, Bombay
20	„ Morarji Hemraj Kanji	„ Hemraj Kanji & Co.	„ „ „ Nava Govind Chawk, Bombay
21	„ Manilal Lallubhai	„ Hiralal Amratlal & Co.	„ „ „ New Gomukh Galli Bombay
22	„ Purshottam Mulji	„ Padamsi Munji & Co.	27-33 Meadows St. Fort, Bombay
23	„ Goculdas Jivraj	„ Ghela Dayal & Co.	Mulji Jetha Market, Ghadial Galli, Bombay
24	„ Haridas Purshottam Govindji	„ Purshottam Govindji & Co.	„ „ „ Navi Gomukh Galli, Bombay
25	„ Harjivan Valji	„ Harjivan Valji & Co.	17, Champa Galli, Shaikh Memon St., Bombay
26	„ Kanji Goculdas	„ Chaturbhuj Jivandas & Co.	Mulji Jetha Market, Navi Gomukh Galli, Bombay
27	„ Vallabhdas Jamnadas	„ Vallabhdas Jamnadas & Co.	„ „ „ Ghadial Galli, Bombay
28	„ Chhabildas Laxmidas	„ Bhimji Ravji & Sons.	„ „ „ Pragraj Galli, Bombay
29	„ Mathuradas Liladhar	„ Jeram Hari	„ „ „ Ganeshwadi, Bombay
30	„ Vussanji Mulji Damodar	„ Mulji Damodar & Co.	Morarji Goculdas Market, 326 Kalbadevi Rd. Bombay
31	„ Bhugwandas Vussonji	„ Kanji Karsan & Co.	Mulji Jetha Market, Nava Govind Chawk, Bombay
32	„ Vrajlal Bhagwandas	„ Bhagwandas Bhawanbhai & Co.	„ „ „ Narayan Chawk Bombay
33	„ Shah Tullakchand Gobardas	„ Ramji Thackersey & Co.	„ „ „ Dadar Galli, Bombay
34	„ Purshottamdas Lalji	„ Lalji Tricumji & Co.	„ „ „ Ghadial Galli, Bombay
35	„ Karsandas Premji	„ Karsandas Purshotam & Co.	„ „ „ Navi Galli, Bombay
36	„ Lalji Naranji	„ Lalji Naranji & Co.	Tamarind Lane, Fort, Bombay.
37	„ Vallabhdas Valji	„ Valji Khimji & Co.	Mulji Jeth Market, Navi Galli, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
38	Mr. Valji Govindji	Messrs. Morarji Kalianji & Co.	Mulji Jetha Market, Chawk, Bombay
39	,, Ranchhoddas Vullabhdas Kanji	,, Vullabhdas Kanji & Co.	,, ,, ,, Ghadial Galli, Bombay
40	,, Karsandas Kurji Dharamsey	,, Kurji Dharamsey & Co.	,, ,, ,, Chikhal Galli, Bombay
41	,, Gordhandas Mathradas	,, Gordhandas Naranji & Co.	,, ,, ,, Ghadial Galli, Bombay
42	,, Vandravandas Valji	,, Vishram Dhanji & Co.	,, ,, ,, Krishnaraj Galli, Bombay
43	,, Kalyanji Bhimji	,, Bhimji Dwarkadas & Co.	Laxmidas Market, Shaikh Memon Street Bombay.
44	,, Devkaran Mulji	,, Devkaran Mulji & Co.	Mulji Jetha Market, Gomukh Galli, Bombay
45	,, Hirji Rustomji	,, Damodar Valji & Co.	,, ,, ,, Dadar Galli, Bombay
46	,, Motilal Kanji	,, Kanji Dharamsey & Co.	,, ,, ,, Navi Krishnaraj Galli, Bombay
47	,, Dwarkadas Vussanji	,, Purshottam Laxmidas & Co.	,, ,, ,, Nava Govind Chawk, Bombay
48	,, Damodar Bhagwandas	,, Purshottam Dwarkadas & Co.	,, ,, ,, Navi Galli, Bombay
49	,, Karsandas Meghji	,, Gopalji Kalyanji & Co.	,, ,, ,, Chikhal Galli, Bombay
50	,, Vaman Shridhar Apte	,, Vaman Shridhar Apte & Co.	,, ,, ,, Govind Chawk, Bombay
51	Hon. Mr. Phiroze C. Sethna	Hon. Mr. Phiroze C. Sethna.	Canada Building, Hornby Road, Fort, Bombay
52	Mr. Madhowji Damodar Thackersey	Messrs. Thackersey Moolji & Co.	16, Apollo Street, Fort, Bombay
53	,, Chaturbhuj Gordhandas Sunderdas.	,, Mulji Jetha & Co.	Tamarind Lane, Fort, Bombay

54	Mr. Dwarkadas Vallabhji	Messrs. Motilal Keshavji & Co.	37-39 Ghogha St. Fort, Bombay.
55	,, Gordhandas Govindji	,, Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli Bombay
56	,, Cursetji JamsetjiBanatvala	,, Edulji Cursetji & Co.	Laxmidas Market, Sk. Memon Street, Bombay
57	,, Lalji Dayal	,, Hirji Dayal & Co.	Mulji Jetha Market, Sancha Galli, Bombay
58	,, Keshavji Ramji Laxmidas	,, Ramji Laxmidas & Co.	,, ,, ,, Chawk, Bombay
59	,, Mulji Gocouldas	,, Dharamsey Rattansey	Laxmidas Market, Sk. Memon Street, Bombay.
60	,, Chatrabhuj Purshottam	,, JamnadasHaridas & Bros.	Mulji Jetha Market, New Govind Galli, Bombay
61	,, Dwarkadas Tricumdas	,, Liladhar Dwarkadas&Co'	,, ,, ,, Chawk, Bombay
62	,, Ardeshar Jamsedji Kharas	,, Jamsedji Framji Kharas & Co,	80, Esplanade Road, Bombay
63	,, Ramdas Javer Jagjivan	,, Javer Jagjivan & Co.	39, Chaupaty Road, Bombay
64	,, Mulji Laxmidas	,, Gopalji Valji Sunderji & Co.	Mulji Jetha Market, Ghadial Galli, Bombay
65	,, Ramdas Ranchhoddas	,, Ranchhoddas Thackersey & Co	,, ,, ,, New Govind Chawk, Bombay
66	,, Tulsidas Gopalji	,, Gopalji Valji & Co.	,, ,, ,, Navi Gomukh Galli, Bombay.
67	,, Jagjivan Gordhandas	,, Gordhandas Thackersey & Co.	,, ,, ,, New Govind Chawk, Bombay
68	,, Jamnadas Harakhji	,, Jamnadas Harakhji &Co.	82, Dady Seth Agiari Lane, Bombay.
69	,, Jethmal Narandas	,, Narottamdas Jethmal & Co.	Mani Bhuvan, New Gamdevi, Alexandra Road, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
70	Mr. Damoderdas Tribhovandas	Messrs. Premchand Tribhovan & Co.	Mulji Jetha Market, Chhipi Chawl, Bombay
71	,, Mathuradas Haribhai	,, Mathuradas Chatrabhuj & Co.	,, ,, ,, Dharamraj Galli, Bombay
72	,, Laxmidas Keshavji	Messrs, Haridas Keshavji & Co.	Mulji Jetha Market, Krishnaraj Galli, Bombay
73	,, Revashanker Jagjivan	,, Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bombay
74	,, Sheriff Devji Kanji	,, Devji Kanji & Co.	Chakla Street, Mandvi, Bombay
75	Sir Purshottamdas Thakurdas	,, Narandas Rajaram & Co.	Navsari Chambers, Outram Road, Fort, Bombay
76	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Feltham House, Ballard Estate, Fort, Bombay
77	,, Purshottamdas Jivandas	Messrs. Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bombay
78	,, Phirozeshaw B. Petit	,, Phirozeshaw B. Petit & Co	Yusuf Building Esplanade Road, Fort, Bombay
79	,, Dhanjibhoy B. Petit	,, Dhanjibhoy B. Petit & Co.	Circle, Fort, Bombay
80	,, Govindlal Shivlal	,, Raja Bahadur Shivlal Motilal	20, Apollo Street, Fort, Bombay
81	,, S. R. Bomanji	Mr. S. R. Bomanji	Forbes Street, Fort, Bombay
82	,, Kakubhai Jivandas	Messrs, Khimji Vishram & Co.	Dana Bunder, Broach Street, Bombay
83	,, Palanji Dadabhoy Chowna	,, Drewet Chowna & Co.	46, Church Gate Street, Fort, Bombay

84	Mr. Tricumdas Gordhandas Khatau	Messrs. Khatau Makanji & Co.	Oriental Building, Hornby Rd, Bombay
85	„ N. D. Dadyseth	Mr. N. D. Dadyseth	17, Waudby Road, Bombay
86	„ Kaikobad Cawasji Dinshaw	Messrs. Cawasji Dinshaw Bros,	121 Meadows Street, Fort, Bombay
87	„ Fidahusein Samsuddin	„ Shaikh Mahomad Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bombay
88	„ Mathuradas Vissanji	Mr. Mathuradas Vissanji	3, Wallace Street, Fort, Bombay,
89	„ Govindram Harsomal	Messrs. Tarachand Ghansyamdas & Co.	Javeri Bazar, Shaikh Memon St., Bombay
90	„ Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	346, Hornby Road, Fort, Bombay
91	„ Ghelabhai Hansraj	Messrs. The Grain Merchants' Association,	262, Musjid Bunder Road, Bombay
92	„ Anandrao Krishna Rao Kothare	„ K. P. Kothare & Co.	Apollo Street, Fort, Bombay.
93	„ Pestonji Edulji Dhala	„ The Indian Mercantile Ins. Co, Ltd,	11, Bank Street, Bombay
94	Mr. Lallubhai Samaldas	Mr. Lallubhai Samaldas	65, Apollo Street, Fort, Bombay
95	Sir Mahomad Hajibhoy	Messrs. Hajibhoy Lalji & Co.	Akbar Building, Hornby Road, Fort, Bombay
96	„ Fazulbhoy Currimbhoy Ibrahim	Sir Fazulbhoy Currimbhoy Ibrahim	12-14 Outram Road, Fort, Bombay
97	Mr. Vithaldas Karsandas	Messrs. The Bombay Merchants' Bank Ltd.	Apollo Street, Fort, Bombay
98	„ Narandas Chatrabhuj	„ Gordhandas Khetsey	Manordas St. 40, Holi Chakla, Fort, Bombay
99	„ Narottam Morarjee	Mr. Narottam Morarjee	Sudama House, Ballard Estate, Fort, Bombay
100	„ S. B. Billimoria	Messrs. S. B. Billimoria & Co.	127, Esplanade Road, Fort, Bombay
101	„ R. D. Lam	„ Tata Sons Ltd.	Bombay House, Bruce Road, Fort, Bombay
102	„ Manekji Jethabhai Vurdhman	Mr. Manekji Jethabhai Vurdhman	56, Tamrind Lane, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
103	Mr. Dadabhai J. Registar	Messrs. The Berar Mfg, Co. Ltd.	Llyod Building, Ballard Road, Fort, Bombay
104	„ Hirjibhai Shapurji Patuck	„ H. S. Patuck & Co.	Dadoo Building, 44, Bank Street, Fort, Bombay
105	„ Kikabhai Premchand	„ Premchand Roychand & Sons	Apollo Street, Fort, Bombay
106	„ Purshottam Vishram Mavji	Mr. Purshottam Vishram Mavji	Walkeshwar Road, Bombay
107	„ Harikishandas Mehra	Messrs. The Hindustani Native Merchants' Association	Kalbadevi Road, Bombay
108	„ Ratanchand Navalchand Javeri	„ Manekchand Panachand & Co,	Javeri Bazar, Shaikh Memon Street, Bombay
109	„ M. Venkatrao.	„ N. Powell & Co.	Sandhurst Road, Girgaon Bombay
110	„ Nihalchand Lalluchand	Mr. Nihalchand Lalluchand	Tamba Kanta, Pydhonie, Bombay
111	„ Gulabchand Devchand Javeri	„ Gulabchand Devchand Javeri	16, Apollo Street, Fort, Bombay
112	„ Jedayal Durgadas	„ Dunichand Durgadas	Khara kuva, Shaikh Memon Street, Bombay
113	„ Vallabhdas Dayal	„ Vallabhdas Dayal	Vadgadi, Mandvi, Bombay
114	„ K. S. Aiyar	Messrs. K. S. Aiyar & Co.	65, Apollo Street, Fort, Bombay
115	„ Hirachand Vanechand Desai	„ Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay
116	Prof. S. R. Davar	„ The Davar's College of Commerce.	Great Western Building, Apollo Street, Bombay
117	Mr. Nassurwanji K. A. Chinoy	Mr. Nassurwanji K. A. Chinoy	Chinoy Mansion, Colaba, Bombay,
118	„ Shivji Chapsey	Messrs. Vussanji Velji & Co.	Girgaum Back Road, Bombay

119	Mr. Phirozeshaw N. Mehta	Messrs. P. N. Mehta & Co.	Cook's Building, Hornby Road, Fort, Bombay
120	„ Nandlal Kilachand	„ Kilachand Devchand & Co. Ld.	55, Apollo Street, Fort, Bombay
121	„ Chhotalal V. Mehta	„ The Bank of Morvi Ld.	Esplanade Road, Fort, Bombay
122	„ Sorabji N. Pochkhanavala	„ The Central Bank of India Ltd.	„ „ „ „
123	„ Beniprasad Ramkumar	Messrs. Mamraj Rambhagat & Co.	Mumbadevi Naka, Bombay
124	„ Haridas Nagji Vora	Mr. Haridas Nagji Vora	Cathedral Street, Bhuleshwar, Bombay
125	„ Morarji Kanji	Messrs. Thakkar Amarsi Kanji	Mulji Jetha Market, Sancha Galli, Bombay
126	„ Manilal Goculbhai Mulchand	Mr. Manilal Goculbhai Mulchand	Champa Galli, Bombay
127	„ Harilal D. Jasani	Messrs. The Bombay Shroff Association,	289–91 Shaikh Memon Street, Bombay
128	„ Jamnadas Mulchand Parekh	Messrs. Goculbhai Dolatram & Co.	Champa Galli, Shaikh Memon St. Bombay
129	„ Lavji Meghji	„ Curamsey Damji & Sons	Girgaum Back Road, Bombay
130	„ Pestonji N. Masani	Mr. Pestonji N. Masani	Navsari Chambers, Outram Road, Bombay
131	„ Ibrahim F. Lalji	Messrs. Jamabhoy Lalji & Co.	Warden Road, Bombay
132	„ Laxmidas Nemidas	„ Mulchand Vasanji	90, Bazar Gate Street, Fort, Bombay
133	„ Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Shaikh Memon Street, Bombay
134	„ R. D. Patel	Messrs. Patel Bros.	6, Napier Road, Fort, Bombay
135	„ Kekhushru N. Chandabhoy	„ Chandabhoy and Jassubhoy	Apollo Street, Fort, Bombay
136	Hon. Mr. Ratansey Dharamsey Morarji	Hon. Mr. Ratansey Dharamsey Morarji	Sudama House, Ballard Estate, Fort, Bombay
137	Mr. Fakirmahomed C. L. Sajan	Messrs. C. L. Sajan & Co.	Carnac Bunder, New Rice Market, Bombay
138	„ Hirji Ghelabhai	„ Hirji Ghelabhai & Co.	„ „ „ „

Serial No.	Representatives of Members.	Names of Members.	Addresses.
139	Mr. Naranji Haribhai	Messrs. Ramji Purshottam & Co.	264, Madhowji Hariram House. Vadgadi, Bombay
140	„ Khimji Hirji Kayani	„ Khimji Hirji Kayani & Co	Circle, Fort, Bombay
141	„ Jehangir Bomanji Petit	Mr. Jehangir Bomanji Petit	359, Hornby Road, Fort, Bombay
142	„ Cassamalli Jerajbhoy Peerbhoy.	„ Cassamalli Jerajbhoy Peerbhoy	Peddar Road, Bombay
143	„ M. P. Madan	„ M. P. Madan	74, Homji Street, Fort, Bombay
144	„ Vithaldas Liladhar Bhimji	„ Vithaldas Liladhar Bhimji	Princess Street, Bombay
145	„ M. V. Subiah	Messrs. The Commission and General Agency.	113, Avenue Road, Bangalore City
146	„ Vithaldas Bhawanidas	Mr. Vithaldas Bhawanidas	Tamba Kanta, Pydhonie, Bombay
147	„ Dwarkadas Kalyandas	„ Dwarkadas Kalyandas	Ridge Road, Malabar Hill, Bombay
148	„ Laxmidas Ravji Tairsee	Messrs. Laxmidas & Co.	29-31-33 Borrah Bazar Street, Bombay
149	„ Surajmal Lallubhai	„ Surajmal Lallubhai & Co.	Kalbadevi Road, Bombay
150	„ Brij Beharilal	„ J. N. Singh & Co. Ltd.	63, Princess Street, Bombay
151	„ Mathradas Goculdas	Mr. Mathradas Goculdas	Commissariat Building, Hornby Road, Fort, Bombay
152	„ Manharlal Vrajdas Merchant	„ Manharlal Vrajdas Merchant	50-52, Church Gate Street, Fort, Bombay c/o J Pirojshaw & Co. 47 B, Apollo St., Fort, Bombay.
153	„ N. S. Bayankar	„ N. S. Bayankar	
154	„ Nagindas A. Adatia	Messrs. Nagindas and Maneklal	Revlin Street, Hornby Road, Fort, Bombay
155	„ Mavji Govindji	„ Mavji Govindji & Co.	70, Apollo Street, Fort, Bombay

156	Mr. Maganlal Parbhudas	Messrs. The Bombay Yarn, Copper, and Brass Native Merchants' Association	Tamba Kanta, Pydhonie, Bombay.
157	„ Girjashanker B. Trivedi	„ Trivedi & Co.	Navsari Chambers, Outram Road, Fort, Bombay.
158	„ R. J. Khanna	„ The Punjab National Bank Ltd.	Sassoon Building, Churchgate Street, Bombay.
159	„ Bhimji J. Thacker	„ Bhimji Jairaj & Co.	305, 307 Chowpati Sea Face, Bombay.
160	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt	36-37 Sandhurst Road, Girgaum Bombay
161	„ Laxmidas Devji	Messrs. Jetha Devji & Co.	Sak Galli, Mandvi, Bombay.
162	„ Jamnadas Dwarkadas Dharamsey	Mr. Jamnadas Dwarkadas Dharamsey	Mongini Building, Church Gate Street, Fort, Bombay.
163	„ Jivandas Pitambar	Messrs. Pitambar & Co.	17, Circle, Fort, Bombay.
164	„ Bhailal Dajibhai Amin	Messrs. The Alembic Chemical Works Co., Ltd.	Baroda
165	„ B. A. Billimoria	„ Batliwala and Karani	Dalal Street, Fort, Bombay.
166	„ Mohmad Hussein Dehdasti	Mr. Mohamad Hussein Dehdasti	Ash Lane, Fort, Bombay.
167	„ Manekalal Manilal Ranchhoddas Pari	Mr. Maneklal Manilal Ranchhoddas Pari	Maneck Chawk, Ahmedabad.
168	„ Chandulal R. Yagnik	Messrs. Dolatram Kashiram & Co. Ltd.	Lamington Road, Bombay,
169	„ Ismail A. H. Moosa	„ Ismail A. H. Moosa Ltd.	Commisariat Building, Hornby Road, Bombay.
170	„ Phiroze J. Billimoria	Messrs. The Indian Cement Co., Ltd.	Bombay House, Bruce Road, Fort, Bombay.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
171	Mr. M. A. J. Noble	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bombay
172	,, Jayvant Shantaram Divadkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bombay
173	,, Surji Vallabhdas	,, Surji Vallabhdas & Co.	Navsari Chambers, Hornby Road, Bombay
174	,, Laxmichand M. Dosi	,, Laxmichand Padamsey & Co.	439, Kalbadevi Road, Bombay
175	,, Rameshwardas Birla	,, Shivnaryan Baldevdas & Co,	Mumbadevi, Patel Building, Bombay
176	,, Sarabhai Vadilal Javeri	,, Chamanlal Sarabhai Javeri	311, Shroff Bazar, Bombay
177	,, Karsandas Thackersey Ravji	Mr. Karsandas Thackersey Ravji	187, Hornby Road, Fort, Bombay
178	,, Jwaladat R Pilani	,, Jwaladat R. Pilani	Shaikh Memon Street, Bombay
179	,, Narsidas Jekisandas Gangadas	,, Narsidas Jekisandas Gangadas	Sahibag Ahmedabad
180	,, Mayazhanker M. Bhatt	Messrs. Mayashanker Thakkar&Co.	47, Apollo Street, Fort, Bombay
181	,, Vallabhdas Dayal	,, Dungershi & Sons	59, Forbes Street, Bombay
182	,, Harnandrai Ramnarayan	Mr. Harnandrai Ramnarayan	395, Kalbadevi Road, Bombay
183	,, Hormasji Bapuji Gazdar	,, Hormasji Bapuji Gazdar	Beach House, Nepean Sea Road, Malabar Hill, Bombay
184	,, T. M. Rangachari	,, T. M. Rangachari	Poonamalli High Road, Madras
185	,, Walchand Hirachand	,, Walchand Hirachand	Phoenix, Building, Ballard Estate, Bombay
186	,, K. D. Javeri	Messrs. Walmer & Co. Ltd.	Phoenix, Building, Ballard Etate, Bombay
187	,, Motichand G. Shah	,, Pathak & Walchand Ltd.	Love lane, Mazgaon, Bombay

188	Mr. Ambalal Sarabhai	Mr. Ambalal Sarabhai	Retreat, Shahibag, Ahmedabad
189	„ Mansukhlal Atmaram Master	„ Mansukhlal Atmaram Master	Sudama House, Ballard Estate, Bombay
190	„ Damodar Govindji Madhowji	Messrs. Govindji Madhowji & Co.	16, Apollo Street, Bombay
191	„ H. M. A. Anik	„ H. Anik & Co.	Baria Mansion, opp. Crawford Market Bombay
192	„ Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas	3, Wallace Street Fort, Bombay
193	„ Mathuradas Canji Matani	„ Kanji Dwarkadaswala (Messrs. The Bombay Rice Merchants' Association)	53, Mint Road, Bombay
194	„ Madhavlal Makanji	„ Madhavlal & Co.	Alice Building, Hornby Road, Bombay
195	„ Nemchand Popatlal Vohora	„ C. K. Vohora & Co.	109, Abdul Rehman Street, Bombay
196	„ Nandlal Madhavdas	„ Amersey Damodar	106, Bhuleshwar Road, Bombay
197	„ Kekhushru Manekji Cooper	Mr. Kekhushru Manekji Cooper	Gazdar House, Hughes Road, Bombay
198	„ Fazulbhoy Ibrahim Rahimtulla	Messrs. Fazulbhoy Ibrahim & Co, Ltd.	Ismail Building, Hornby Road, Bombay
199	„ Mangaldas Prahladbhai	„ Prahladbhai Dolatram & Co.	Tamba Kanta, Bombay
200	„ M. B. Mehta	„ M. B. Mehta & Co.	44, Bank Street, Bombay
201	„ Manilal Jugaldas	Mr. Manilal Jugaldas	41, Green Street, Fort, Bombay
202	„ Hargovind Ambaram Jani	Messrs. Hargovind Shivlal & Co.	Tank Bunder Mazgaon, Bombay
203	„ Narandas Keshoordas	„ Lalji Godhoo & Co.	Samuel Street, Vadgadi, Bombay
204	„ Manilal Balabhai	„ Manilal Balabhai & Co.	36, Humam Street, Fort, Bombay
205	„ B. F. Madon	Mr. B. F. Madon	Bombay House, Bruce Road, Bombay
206	„ Burjorji C. Sethna	Messrs. Cursetji Bomanji & Co.	19, Bank Street, Fort, Bombay
207	„ Mathuradas Tricumdas	„ Mathuradas V. Kothare & Co	45, Apollo Street, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
208	Mr. Sultan I. Janmohmad	Mr. Sultan I. Janmohmad	C/o Currimbhoy Ibrahim & Sons. Outram Road, Fort, Bombay
209	„ Shantidas Ashkaran	„ Shantidas Ashkaran	Hughes Road, Bombay
210	„ Vyas Laxmishanker Narbadashanker	„ Vyas Laxmishanker Narbadashanker	Detroj
211	„ Ishwardas Lukhmidas	„ Ishwardas Lukhmidas	Garden View, Hughes Road, Bombay
212	„ N. M. Muzumdar	„ N. M. Muzumdar	C/o Tata Ld, London
213	„ Hatim E. Attari	„ Hatim E. Attari	E. D. Sassoon Building, Ballard Estate Bombay
214	„ Ishwarlal Ganpatram Gajjar	„ Ishwarlal Ganpatram Gajjar	Parekh Building, New Queens Road, Bombay
215	„ Vassanji Naranji Bhimji	„ Vassanji Naranji Bhimji	Vadgadi, Mandvi, Bombay
216	„ Keshavji Nanji	„ Keshavji Nanji	Laxmidas Khimji Market, Bombay
217	„ Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co.	34-38, Apollo Bunder, Bombay
218	„ Edulji S. Cooper	„ Palanji Edulji & Sons	New Charni Road, Girgaon, Bombay
219	„ Mulji Ranchhod Ved	Mr. Mulji Ranchhod Ved	C/o. Ved and Sopher, Central Bank Building, Esplanade Road, Bombay

220	Mr. Velji Lakhamshi	Messrs. Napoo Nensey & Co.	38–42, Argyle Road, Dana Bunder, Bombay
221	„ Alimohmad R. Macklai	Mr. Alimohmad R. Macklai	99, Esplanade Road, Bombay
222	„ Anantrao BalkrishnaKamat	Mossrs. Sitaram Laxman & Son	Asian Building, Ballard Estate, Fort, Bombay
223	„ Hakemchand Valamji Kapadia	Mr. Hakemchand Valamji Kapadia	Mulji Jetha Market, Navi Gopalak Galli Bombay
224	„ J. H. Bhabha	Messrs. The Tata Hydro Electric Power Supply Co, Ltd,	Bombay House, Bruce Road, Fort Bombay
225	„ Dwarkadas Jekisandas	Mr. Dwarkadas Jekisandas	58, Walkeshwar Road, Bombay
226	„ Birdhichand Podar	Messrs, Cheniram Jesraj & Co,	173–175, Kalbadevi Road, Bombay
227	„ Tulsidas Monji Vora	„ Hansraj & Co.	20, Elphinstone Circle, Fort, Bombay
228	„ Vallabhdas Runchordas	„ Vallabhdas Runchordas & Co.	Mahim, Bombay
229	„ Kapilram H. Vakil	„ Kapilram H. Vakil	Navsari Chambers, Outram Road, Bombay
230	„ C. J. Vurdhman	„ Vurdhman Brothers Ltd.	58, Tamarind Lane, Bombay
231	„ M. Umar Chandabhoy	„ The Mauritius Shippers Association,	150, Nagdevi Street, Bombay
232	„ Baldevdas Dalshukhram Dave	„ Somnath Rupjidas Patel	35, 3rd Bhoivada, Bombay
233	„ RatnamaniraoBhimraoJhote	„ The advance Trading Co.	Tamba Kanta, Bombay
234	„ Dawood Haji Nassur	„ Nassur Haji Mavji & Co,	Khoja Mohalla, Bombay
235	„ Narandas Assanmal	Mr. Narandas Assanmal	132, Bhuleshwar Road, Bombay
236	„ Manilal Amerchand	Messrs Amerchand Madhowji & Co,	Mudi Bazar, Mandvi, Bombay
237	„ Framji Dorabji Panday	„ Pestonji & Co.	371, Hornby Road, Bombay
238	„ Shiraj A. Vasi	„ Shiraj A. Vasi & Co.	43, B. Apollo, Street, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
239	Mr. Moiz Shaikadam Vasi	Messrs. Shaikadam Husseinalli Vasi & Co.	Vasi Building. 165, Nagdevi Street, Bombay
240	,, Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	187, Hornby Road, Bombay
241	,, Morarji Premji Goculdes	Messrs M. P. Goculdas & Co.	16, Apollo Street, Fort, Bombay,
242	,, Behram N. Karanjia	Mr. Behram N. Karanjia	238-40, Musjid Bunder Road, Bombay
243	,, M. N. Gobhai	,, M N. Gobhai	Do. do. do.
244	,, Madhavdas Gocouldas Pasta	,, Madhavdas Gocouldas Pasta	11, Bastian Road, Bombay
245	,, Jamnadas Morarji	,, Jamnadas Morarji	97, Mint Road, Fort, Bombay
246	,, Sarabhai Pratapraí	,, Sarabhai Pratapraí	Madhuli, Grant Road, Bombay
247	Sir Dinshaw Manekji Petit	Sir Dinshaw Manekji Petit	359, Hornby Road, Bombay
248	Mr. Panachand Manchand	Mr. Panachand Manchand	77, Shaikh Memon Street, Bombay
249	,, Balkisandas Ramkisandas	,, Balkisandas Ramkisandas	207-209 Kalbadevi Road, Bombay
250	,, K. R. P. Shroff	,, K. R. P. Shroff	80,Esplanade Road, Fort, Bombay
251	,, Pesi R. P. Shroff	,, Pesi R. P. Shroff	Do. do.
252	,, Gordhandas Parshottamdas	Messrs Narandas Manordas & Co.	Shaikh Memon Street, Bombay
253	,, P. J. Panday	Messrs. C Framji & Co.	14, Humam Street, Fort, Bombay
254	,, Y G. Pandit	Mr. Y. G. Pandit	Whiteaway Laidlaw Building, Hornby Road, Bombay

255	Mr. R. H. Mody	Messrs. The New India Assurance Co., Ltd.	Central Bank Building, Esplanade Road, Bombay.
256	„ Kanji Karsandas	Mr. Kanji Karsandas	Parsi Bazar Street, Fort, Bombay.
257	„ Dulerai Vanechand Desai	Messrs. Dulerai & Co.	70, Apollo Street, Fort, Bombay.
258	„ M. K. Chaubal	„ The Bombay Swadeshi Co-operative Stores Co. Ltd.	Times Building, Hornby Road, Bombay.
259	„ K. B. N. Kapadia	„ The Indian Steel Wire Products, Ltd.	65, Apollo Street, Fort, Bombay.
260	„ Vithaldas Harjivandas	„ Harjivandas Jagjivandas & Co.	26, Jambulvadi, Kalbadevi Road, Bombay
261	„ Kishandas Munmohandas Ramji	„ The New Kaiser-i-Hind Spg. & Wg, Co, Ltd.,	Shushtary Building, Elphinstone Circle, Fort, Bombay
262	„ Maganbhai P. Amin	„ Maganbhai Amin & Co.	32, Apollo Street, Fort, Bombay
263	„ Maganlal Purshottamdas	„ Purshottam Pranvallabh & Co.	Dalal St. Share Bazar, Bombay
264	„ Mohanlal Harakhchand	„ Mohanlal & Co.	257, Shaikh Memon Street, Bombay
265	„ Abubakar Abdulrahman	„ Abubakar Abdulrahman & Co.	Narayan Dhru St. Pydhonie, Bombay
266	„ Ramdas Karsandas	„ R. Karsandas & Co.	Mulji Jetha Market, Chawk, Bombay
267	„ Jamnadas Purshottam	„ Jethabhai Hirji & Co.	Do. Chawk, Bombay
268	„ Tulsidas Karsandas	„ B. Hargovan & Co.	Do. Chawk, Bombay
269	„ D. D. Sethia	„ Shivji Dharamsey Sethia & Co.	Dalal Street, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
270	Mr. Tarachand H. Khanna	Mr. Tarachand H. Khanna	56, Abdul Rahman Street, Bombay
271	„ Venilal Jekisandas Vakil	„ Venilal Jekisandas Vakil	Machli Pith, Surat
272	„ Tulsidas Ramdas	„ Tulsidas Ramdas	Navsari Building, Hornby Road, Bombay
273	„ Pragji Dayal Hariani	„ Pragji Dayal Hariani	24–32, D'Souza Street, Mandvi, Bombay
274	„ Venkatrao Chimanlal Setalvad	Messrs J. C. Setalvad & Co.	Jehangir Wadia Building, Esplanade Road, Fort, Bombay
275	„ Narandas Bhawanji	„ Narandas Bhawanji & Co.	D'Souza Street, Vadgadi, Bombay
276	„ Purshottam Hirji	„ Hirji Govindji & Co.	82, Baroda Street, Dana Bunder, Bombay
277	„ Chimanlal Mohanlal	„ Chimanlal Mohanlal & Co.	Javeri Bazar, Patel Building, Bombay
278	„ Balabhai Jamnadas	„ The Gujarat Oil Mill Mfg. Co., Ltd.	Asharva, Post Kalupur, Ahmedabad
279	„ Ratan C. Gazdar	„ Bomanji C. Gazdar & Co.	16, Apollo Street, Fort, Bombay
280	„ Maneklal Ujamshi	Mr. Maneklal Ujamshi	70, Apollo Street, Fort, Bombay

281	Mr. Ranchhoddas Harjivandas Gandhi	Mr. Ranchhoddas Harjivandas Gandhi	Ramchandra Building, Princess Street, Bombay.
282	„ Thackersey Mahashanker	Messrs. Thackersey Mahashanker & Co.	Kumbharvada 2nd Lane, Sandhurst Rd. Bombay.
283	„ Dharamsey Bhawanji	„ Bhawanji Harbham & Co.	2nd Panjra Pole Lane, Bombay
284	„ Sorab Framji Bharoocha	Mr. Sorab Framji Bharoocha	7-10, Elphinstone Circle, Fort, Bombay
285	„ Maganlal Dahyabhi	Messrs. Dahyabhai Vassanji & Sons	Vithaldas Road, Princess Street, Bombay,
286	„ Husseinbhoy Hassum	Mr. Husseinbhoy Hassum	164-66, Samual Street, Mandvi, Bombay.
287	„ Kanchanlal Varajdas	Messrs. M. Kanji & Co.	Cawasji Patel Street, Fort, Bombay.
288	„ Dayaldas Narandas Kanji	„ Narandas Kanji & Co.	Mulji Jetha Market, Nava Govind Chawk Bombay.
289	„ Kanji Dwarkadas	Mr. Kanji Dwarkadas	Monjini Building, Church Gate Street, Bombay.
290	„ Karsandas Tejpal	Messrs. Karsandas Tejpal & Co.	Yusuf Building Esplanade Road, Bombay
291	„ Tricumdas Dwarkadas	„ Tricumdas Karsandas & Co.	Yusuf Building, Esplanade Road, Bombay
292	„ Shamji Hemraj	„ Shamji Hemraj & Co.	Ready Money Mansion, Churchgate St, Bombay.
293	„ Narottam Morarjee	„ The Solapur Spg. & Wg. Co. Ltd.	Sudama House, Ballard Estate, Fort, Bombay.
294	„ Laxmidas G. Dossa	„ Goculdas Dossa & Co.	14, Humam Street, Fort, Bombay.
295	„ Morarji Keshavji	„ Morarji & Hormasji	Shaikh Memon Street, 22, Champa Galli, Bombay.
296	„ Bomanji Dorabji Kapadia	Mr. Bomanji Dorabji Kapadia	Engineer Building, Princess Street, Bombay.

LIST OF MEMBERS OF THE INDIAN MERCHANTS' CHAMBER.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
297	Mr. Motiram Waghji	Messrs. Pragji Liladhar & Co.	Bhat Bazar, Mandvi, Bombay.
298	,, Ruttonchund Tullookchund Master.	,, Master Sons & Co.	Cama Chambers, 23 Meadows Street, Bombay
299	,, Gustadji Dossabhoy Billimoria	Mr. Gustadji Dossabhoy Billimoria	Chinoy Mansion, Colaba, Bombay.
300	,, Thakorlal Hiralal Vakil	Messrs. Vakil Brothers	73, Apollo Street, Bombay
301	,, Chunilal Baldevdas	Mr. Chunilal Baldevdas	C/o Mulchand Kantilal, Tamba Kanta, Bombay.
302	,, B. D. Sardesai	Messrs. The Tata Construction Co, Ltd.	Phoenix Building Ballard Estate, Bombay
303	,, Keshavji Damji Hirji	Mr. Keshavji Damji Hirji	Samuel Street, Mandvi, Bombay.
304	,, Veerji Peraj	Mersrs. Chaturbhuj Peraj & Co.	Bhandari St. Chuckla, Bombay
305	,, H. H. Belgaumwalla	Mr. H. H. Belgaumwalla	Hubli.
306	,, Nowroji H. Belgaumwalla	,, Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Frere Road, Bombay.
307	,, S. C. Bannerji	Messrs. Marsland Price & Co Ltd.	Nasbit Road, Mazagaon, Bombay
308	,, Khushal T. Shah	Mr. Khushal T. Shah	New University Building, Esplanade Road, Bombay.

309	Mr. Narotam V. Purshottam	Messrs. Vithal Purshottam & Son.	2nd Khetwadi Lane, Sandhurst Road, Bombay.
310	,, Nensey Tejpal	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bombay.
311	,, Framroze A. Mody	,, Framroze A. Mody	Oomrigar Bldg. Carnac Road, Bombay
312	,, Jamnadas Amarchand Gandhi	Messrs. The Japan & Shanghai Silk Merchants' Association	Jackeria-musjid, Bombay
313	,, S. J. Pandya	,, The Scindia Steam Navigation Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay.
314	,, Ranchhoddas Tribhovandas Popavala	Mr. Ranchhoddas Tribhovandas Popavala	50-52, Church Gate Street, Bombay
315	,, Husseinbhoy A. Laljee	Messrs. Abdullabhoy Laljee & Co.	Samuel Street, Mandvi, Bombay
316	,, Nowroji Ardeshir Nariel-wala	,, A. S. Narielwala & Sons.	Cavasji Patel Street, Fort, Bombay
317	,, Balvant Krishna Rao Wagle	Mr. Balvant Krishna Rao Wagle	220, Kandewady, Girgaum, Bombay
318	Sir M. Vishvesvaraya	Sir M. Vishvesvaraya	Uplands, High Ground, Bangalore
319	Mr. J. A. Gandhi	Messrs. Bakubhai Ambalal & Co.	65, Apollo Street, Fort, Bombay.
320	Sir Jamsetjee Jijibhoy, Bt.	Sir Jamsetjee Jijibhoy, Bt.	Mazgaon Castle, Bombay
321	Mr. C. B. Nanavati	Messrs. Nanavati Vevaina & Co.	Sudama House, Ballard Estate, Bombay.
322	,, J. K. Parulkar	,, The Jupiter General Insurance Co., Ltd.	Tamarind Lane, Fort, Bombay.
323	,, B. M. Bhargava	,, The Union Bank of India, Ltd.	Apollo Street, Fort, Bombay.
324	,, Gulabchand Devchand Javeri	,, The Pearl Merchants' and Jewellers' Association	16, Apollo Street, Fort, Bombay
325	,, R. N. Bapasola	Mr. R. N. Bapasola	"Mubarak Munzil," Apollo Street, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
326	Mr. Manmohandas Madhavdas Amersey	Messrs. Amersey & Sons	Sudama House, Ballard Estate, Bombay
327	,, Lalji Rowji Khant	Mr. Surji Vallabhdas Colour & Co.	15-19, Samuel Street, Mandvi, Bombay
328	,, Ratansey Karsandas	Messrs. Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bombay
329	,, B. H. Readymoney	,, B. H. Readymoney & Co.	122, Princess Street, Bombay
330	,, Jehangir P. Katgara	,, Jeena & Co.	Yusuf Building, Esplanade Road, Fort, Bombay
331	,, Dhruva Sumanas	Mr. Dhruva Sumanas	65, Apollo Street, Fort, Bombay,
332	,, Jayantilal Bhaidas	Messrs. The Indian Engineering Co.	Hornby Road, Nanabhai Galli, Fort, Bombay
333	,, Narotam Narandas Topan	,, Narandas Topan	Tamba Kanta, Pydhonie, Bombay
334	,, Pritamdas B. Advani	Mr. Pritamdas B. Advani	Marzban Road, Fort, Bombay
335	,, Keshavlal Lallubhai	,, Keshavlal Lallubhai	Khokha Bazar, Bhajipala Lane, Bombay
336	,, Morarji Mulraj Khatau	Messrs. The Khatau Makanji Spg. & Wg. Co., Ltd.	42, Ballard Road, Laxmi Building, Bombay
337	,, Raghunath Chintaman Sohoni	Mr. Raghunath Chintaman Sohoni	Princess Street, Bombay
338	,, Cursetji Limji	Messrs. The Bombay Cycle and Motor Agency, Ltd.	16, New Queens Road, Bombay

339	Mr. Nassurvanji S. Guzdar	Messrs. Nassurvanji S. Guzdar & Co	Canada Building, Home Street, Fort, Bombay
340	„ Gordhandas Gocouldas Morarji	Mr. Gordhandas Gocouldas Morarji	"Mor Baug" Nayagaum Road, Dadar
341	„ Devidas Shamji	„ Devidas Shamji	Mulji Jetha Market, Chawk, Bombay
342	„ Girdhardas Liladhar	„ Girdhardas Liladhar	16, Apollo Street, Fort Bombay
343	„ B. Das	Messrs. B. Das & Co.	Phœnix Building, Ballard Estate, Fort, Bombay
344	„ Hiralal Chaganlal	„ Chaganlal & Co.	Carnac Bunder, Bombay
345	„ Chunilal Girdharlal	„ Chunilal Harilal & Co.	4, Green Street, Fort, Bombay
346	„ Chaturbhuj Khiyasey	„ Damji Assaria & Co	81-83, Chinch Bunder, Bombay
347	„ Amiruddin Shalebhoy Tyebji	„ Shalebhoy Tyebji & Sons	28, Bank Street, Fort, Bombay
348	„ Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	Kirti Building, 37-39, Forbes St. Fort, Bombay
349	„ M. M. H. J. M. Chotani	Messrs. Chotani & Co.	Dontad Street, Khadak, Bombay
350	„ Behramji N. Gamadia	Mr. Behramji N. Gamadia	18, Homji Street, Fort, Bombay
351	„ H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bombay.
352	„ N. B. Saklatvala	„ The Tata Mills Ltd.	Bombay House, Bruce Road, Fort, Bombay
353	„ N. B. Saklatvala	„ The Svadeshi Mills Co. Ltd.	Do. do. do.
354	„ M. P. Mehta	„ The David Mills Co. Ltd.,	E. D. Sassoon Building, Ballard Estate, Bombay
355	„ S. D. Saklatvala	„ The Standard Mills Co. Ltd.	Bombay House, Bruce Road, Fort, Bombay
356	„ Chamanlal Girdhardas Parekh	„ The Industrial Bank of Western India Ltd.	Lal Darvaja, Ahmedabad
357	„ Habib Ismail	„ Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bombay
358	„ Tribhovandas Pragji	Mr. Tribhovandas Pragji	Bhabha Building, Princess Street, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
359	Mr. Ranchhoddas Tribhovandas Mody	Mr. Ranchhoddas Tribhovandas Mody.	Ridge Road, Malabar Hill, Bombay
360	„ H. P. Mody	„ H. P. Mody	Gresham Building, Esplanade Road, Bombay
361	„ Ebrahim Gulamhussein Currimbhoy	„ Ebrahim Gullamhussein Currimbhoy (of Messrs. Currimbhoy Ebrahim & Sons)	12–14, Outram Road, Fort, Bombay
362	„ Phirozshaw Ratanji Desai	„ Phirozshaw Ratanji Desai	Nakhoda Street, Mandvi, Bombay
363	„ S. Haji	Messrs. Narottam Ltd.	Sudama House, 51, Sprott Road, Ballard Estate, Bombay
364	„ Shantikumar Narottam Morarjee	Mr. Shantikumar Narottam Morarjee	Shanti Bhuvan, Peddar Road, Bombay
365	„ P. N. Vevaina	Messrs. The Eastern Bunkerers Ltd.	Sudama House Ballard Estate, Fort, Bombay
366	„ R. M. Marshall	„ R. M. Marshall & Co.	Raja Terrace, Lamington Road, Bombay
367	„ Shiavax C. Cambata	„ Shiavax C. Cambata & Co.	Century Building, Hornby Road, Fort, Bombay
368	„ Husseinally Mahomedbhoy Currimbhoy	Mr. Husseinally Mahomedbhoy Currimbhoy.	12–14, Outram Road, Fort, Bombay
369	Sir Currimbhoy Ebrahim Bart.	Sir Currimbhoy Ebrahim Bart.	Do. do. do.
370	Mr. Nooroodin Abdulhussein Nooroodin.	Messrs. The Bombay Paper and Stationery Merchants' Association	Wakefield House, Ballard Estate, Bombay

371	Mr. Curmali Ibrahim	Messrs. Curmali Ibrahim & Co.	165–167 Khoja Mohalla, Mandvi, Bombay
372	„ Nowroji M. Dumasia	Mr. Nowroji M. Dumasia	C/o Times of India Office, Fort, Bombay
373	„ Jamnadas Vussonji Munji	Messrs. Keshavji Morarji Vussonji & Co.	Shushtary Building, Elphinstone Circle Bombay
374	„ Ranchhoddas Naranji	„ Sunderdas Padamsey & Co.	Mulji Jetha Market, Dharamraj Gully Bombay
375	„ Hansraj Gocouldas Naranji	„ Hansraj Gocouldas & Co.	Wallace Street, Fort, Bombay
376	„ Hasam Rahimtulla	Mr. Hasam Rahimtulla	"Belmount" High Ground, Bangalore
377	„ Phirojshaw D. Patel	„ Phirojshaw D. Patel	Mulji Jetha Market, Gordhan Gulli Bombay
378	„ B. J. Modi	Messrs. The Cotton & Commercial Trust Ltd.	Ewart House, Tamarind Lane, Fort, Bombay
379	„ Kallianji Curumsey Damji	„ L. K. Vussonji & Co.	Sohrab House, Hornby Road, Fort, Bombay
380	„ S. D. Parikh	„ The Bombay Bullion Exchange. Ltd.	Shroff Bazar, Bombay
381	„ Dawoodkhan Shalebhoy Tyebjee	„ Amir Brothers	28, Bank Street, Fort, Bombay
382	„ Suleman Cassum Haji Mitha	Mr. Suleman Cassum Haji Mitha	27, Kolsa Mohalla, Pydhonie, Bombay
383	Sir Ibrahim Rahimtulla	Sir Ibrahim Rahimtulla	Ismail Building, Hornby Road, Fort, Bombay
384	Mr. Mahomedbhoy Gulamhussein	Messrs. Hatimbhoy Gulamhussein & Brothers	193, Nagdevi Street, Bombay
385	„ Mafatlal Gagalbhai	Mr. Mafatlal Gagalbhai	265, Hornby Road, Fort, Bombay
386	„ Jugatram S. Vaidya	Messrs. The Zandu Pharmaceutical Works Ld.	Elphinstone Road, Bombay 13

Serial No.	Representatives of Members.	Names of Members.	Addresses.
387	Mr. Framroze Pestonji	Messrs. P. Framroze & Co.	"Standard Building," Hornby Rd. Bombay
388	„ M. C. Ghia	„ M. C. Ghia & Co.	18, Humam Street, Fort, Bombay
389	„ Burjor S. J. Aga	„ Shapoorii N. Chandabhoy & Co.	"Morarbhai Building, 43 Apollo Street, Fort, Bombay
390	„ Kaikhushroo Bezenjee N. Capadia	Mr. Kaikhushroo Bezenjee N. Capadia	"Capadia House" Cumbala Hill Bombay
391	„ Hoosenally M. Rahimtulla	Messrs. Jaffer Rahimtulla & Co.	"Dadoo Building" Marine Street, Fort, Bombay
392	Hon. Sir S. R. M. Annamalai Chetty	Hon. Sir S. R. M. Annamalai Chetty	"Natana Vilas" 38, P. C. Road, Vepery Madras
393	Mr. Sankalchand G. Shah	Messrs. Sankalchand G. Shah & Co.	Kothari Bldg. Tamba Kanta Bombay
394	„ Vadilal Maganlal	„ Maganlal Dipchand	Khand Bazar, Bombay
395	„ Meyer Nissim	Mr. Meyer Nissim	Esplanade Road, Fort, Bombay
396	„ Dahyalal Makanji Javeri	The Bombay Diamond Merchants, Association	Javeri Bazar, Bombay
397	„ D. D. Writer	Messrs. D. Writer & Co.	Arab Lane, Corner Grant Road, Bombay
398	„ Popatlal Girdharlal	„ Popatlal Girdharlal & Co.	14. Humam Street, Fort, Bombay

399	Mr. M. P. Lohana		Messrs. Vithaldas Parshottam & Co. (The Bombay Rice Merchants' Association)	New Rice Market, Carnac Bunder, Bombay
400	„ Keshavprasad C. Desai		„ The Industrial & Prudential Assurance Co, Ltd :	Jehangir Wadia Building, Esplanade Road, Bombay
401	„ Sorabji Rustomji Mody		„ Furdoonji Khurshedji Mody & Sons.	Reay Road, Tank Bunder, Bombay
402	„ Jawahirmal Mulchand		„ Rai Bahadur Tikamchand	177–179, Kalbadevi Road, Bombay
403	„ Nariman M. Pohowalla		„ The Bombay Glass Bangles Merchants' Association	82, Bazar Gate St. Fort, Bombay
404	„ Himatlal Trimbaklal Muni		„ Chaturbhuj Bhaichandbhai & Co.	361, Hornby Road, Fort, Bombay
405	„ Manilal C. Modi		„ The Gujerati Type Foundry	Gaiwadi, Girgaon, Bombay
406	„ Manu Subedar		„ The Peninsular Locomotive Co. Ltd.	Sudama House, Ballard Estate, Fort, Bombay
407	„ Hiralal Maganlal Desai		„ Union Chemical Agency.	70, Apollo Street ,Fort, Bombay
408	„ Fateh Mahomed F. Munshi		„ The Gujrat Islam Match Mfg. Co. Ltd.	Kankaria Road, Ahmedabad
409	„ T. M. Musabhoy		„ The Swadeshi Match Mfg. Co. Ltd.	34–38, Jijibhoy Dadabhoy Street, Fort, Bombay
410	„ F. F. Munshi		„ The Indian Match Manufacturers' Association	Kankaria Road, Ahmedabad
411	„ J. J. Sopher		„ Ved & Sopher	31, Central Bank Bldg. Esplanade Road, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
412	Mr. N. R. Khambati	Messrs. The Trinity Electric Syndicate	Princes Street, Bombay
413	,, Kalyanbhai Sarabhai Javeri	,, Sarabhai & Sons	Nawab Bldg. Hornby Road, Fort Bombay
414	,, Husein Suleman Mitha	,, The Sugar Merchants' Association	Khand Bazar, Bombay
415	Dr. S. W. Patil	,, The Indian Co-operative Navigation & Trading Co. Ltd.	Keshavji Bldg. 149, Frere Road, Bombay
416	Mr. Ramdas Khimji	,, Ramdas Khimji Trading Co. Ltd.	Albert Bldg. Hornby Road, Fort, Bombay
417	,, C. R. H. Readymoney	,, India International Co.	Readymoney Mansion, Churchgate Street, Bombay
418	,, Narayanlal Bansilal Pittee	,, Narayanlal Bansilal Pittee	20, Apollo St. Fort, Bombay
419	,, Khimchand A. Mehta	Messrs. Mehta & Co.	119, Meadows Street, Fort, Bombay
420	,, Sivji Sojpal	,, Vissonji Sivji & Co.	387-89, Dongri St. Mandvi, Bombay
421	,, F. E. Dinshaw	Mr. F. E. Dinshaw	C/o Messrs. Payne & Co. Solicitors, Esplanade Rd., Fort, Bombay

422	Mr. Sorab Dalal	Messrs. Sorab Dalal Tile Works	"Westview", Khanpur Road, Ahmedabad
423	„ F. J. Bhumgara	Mr. F. J. Bhumgara	28, Camomile Street. London E. C. 3.
424	„ B. K. Lahiri	Messrs. Bengal Laxmi Cotton Mills, Ltd.	28, Pollock Street, Calcutta
425	Hon. Mr. Rattansey D. Morarji	„ Dharamsey Morarji Chemical Co. Ltd	Sudama House, Ballard Estate, Bombay
426	do	„ Dharamsey Morarji Woollen Mills, Ltd.	do
427	Mr. Bhogilal Laherchand Javeri	„ Batliboi & Co.	Forbes Street, Fort, Bombay
428	„ Abdulla Fazulbhoy	„ Bombay Motor Exchange	Queen's Road, Opp Marine Lines Station, Bombay
429	„ H. F. Commissariat	Mr. H. F. Commissariat	Commissariat Building, Hornby Rd. Fort, Bombay
430	„ Girdharilal Kishendial	Messrs. Tulsidas Kishendial	32, Mirchi Lane, Mandvi, Bombay
431	„ Farroke E. Bharucha	Mr. Farroke E. Bharucha	Canada Building Hornby Road, Bombay
432	„ Haji Goolam Mahomed Ajam	„ Haji Goolam Mahomed Ajam	152, Nagdevi Street, Bombay
433	„ R. K. Kaul	Messrs. Sir Daya Kishan Kaul Sons & Co.	14, Abbot Road, Lahore
434	„ Byramjee Jeejeebhoy	Mr. Byramjee Jeejeebhoy	Alice Building, Hornby Road, Bombay
435	„ B. S. Lalkaka	Messrs. The Pioneer Magnesia Works	10, Rampart Row, Fort, Bombay
436	„ Dharamsey Mulraj Khatau	Mr. Dharamsey Mulraj Khatau	42, Ballard Road, Fort, Bombay
437	„ Ramdev Anandilal Podar	Messrs Anandilal Podar & Co.	Marwari Bazar, Bombay
438	„ Jehangir Ruttonji Dubash	Mr. Jehangir Ruttonji Dubash	24, Carnac Bridge Road, Bombay
439	„ Govinddas Maneklal	„ Govinddas Maneklal	Asarva Road, Ahmedabad
440	„ Bhaidas Nanalal	Messrs. Bhaidas Karsondas & Co.	7–10, Elphinstone Circle, Bombay
441	„ Parshotamdas Vallabhdas	Mr. Parshotamdas Vallabhdas	Damodar Mansion Girgaum Road, Bombay
442	„ Tribhovandas Purshotam	Messrs. Narotamdas Ramchund & Co.	C/o Mackinon Mackenzie & Co. Ballard, Estate, Bombay.
443	„ Vrajlal Jivandas	„ Lukhmidas Vrajlal & Co.	M. J. Market, Govind Gulli, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
444	Mr. J. K. Dubash	Mr. J. K. Dubash	Dady House, 50-52 Churchgate St. Bombay
445	,, Mulji Lakhmidas	Messrs. Vussonji Morarji	36, Holi Chuckla, Bombay
446	,, Ranchhoddas Pragji	,, Ranchhoddas Pragji & Co.	Dana Bunder, Bombay
447	,, Dayaram Sadhumal	,, Dayaram Sadhumal	Jackeria Musjid, Halai Mohalla, Bombay
448	,, Ramdas Raghowji	,, Raghowji Govindji & Co.	Mulji Jetha Market, Navi Galli, Bombay
449	,, Jagmohundas Kaliandas	Mr. Jagmohundas Kaliandas	"Laila Hall" Mount Mary, Bandra
450	,, M. S Captain	Messrs. Captain & Vaidya	121, Esplanade Road, Fort, Bombay
451	,, Haribhai M. Desai	,, Soorji Godhoo & Co.	Vadgadi, Mandvi, Bombay
452	,, Kanji Gordhandas Toprani	Mr. Kanji Gordhandas Toprani	107, Bazargate St. Fort, Bombay
453	,, Lachhmandass Harkhchand Daga	Messrs. Rai Bahadur Bansilal Abirchand	558-62, Shaikhmemon St. Bombay
454	,, Tribhovan Kesavji	,, Tribhovan Kesavji & Co.	271, Frere Road, Fort, Bombay
455	,, V. P. Lalan	,, Lalan & Co.	66, Tamarind Lane, Fort, Bombay
456	,, Pestonji Naoroji Kapadia	,, Madhowji & Naoroji	113, Esplanade Road, Fort, Bombay
457	,, Hormasji Pestonji Kapadia	,, Madhowji & Naoroji	Do. do.
458	,, Manilal Amarchand	,, Amarchand Madhowji & Co.	Kazi Syed St. Bombay
459	,, Sunderdas Thakersey Rajda	,, Sunderdas Thakersey Rajda	45, Old Hanuman Lane, Kalbadevi Road Bombay
460	,, Gopalji Ratansey	Messrs. Jethabhai Gopalji & Co.	Mulji Jetha Market, Pragraj Galli, Bombay
461	,, Chunilal Bhaichand Mehta	Mr. Chunilal Bhaichand Mehta	50, Marwari Bazar, Bombay

Rules and Regulations of the Indian Merchants' Chamber.

(As finally amended by the General Meetings of the Chamber held on 28th October, 1922, 4th November 1922, 23rd June 1923, 29th September 1923, 15th December 1923 and 2nd May 1925 and 31st October 1925).

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1. The Association shall be styled "The Indian Merchants' Chamber."

Name.

Office.

2. The office of the Chamber willl be situate in Bombay.

Objects.

3. The objects for which the Chamber is established are :—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shipping, banking or insurance,

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes,

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other actions as may be conducive to the extension of trade, commerce or manufactures, or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

4. There shall be three classes of members :—

Members. (1) Ordinary, (2) Patrons and (3) Honorary.

(1) there will be three classes of ordinary members :—

(*a*) Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription ; but Joint-stock Companies will have to pay Rs. 100 per year,

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee:—All the ordinary members and patrons will have to pay Rs. 100 as admission fee wich will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2) Patrons:—Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) Honorary members:—Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibilty for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*) The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with the signatures of the proposer and the seconder,

who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven day's notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 A. M. to 4 P. M (B. T.)

(*b*) On the seventh day the ballot-box shall be opened at 4 P. M. (B. T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*) At least one-tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*) In all voting for election to membership the presence in the ballot-box of black balls in the proportion of one in six shall exclude.
Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if :—

(*a*) he becomes an insolvent,

(*b*) he fails to discharge his subscription for a period extending over twelve months,

Privileges of members.

9. A member of the Chamber shall be entitled

(*a*) To obtain gratis publications of the Chamber.

(*b*) To the free use of the Chamber's library.

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

(*a*)—To receive the annual report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*)—To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*)—To elect an auditor for the ensuing year.

(*d*)—To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year, in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten day's clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting, whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned Meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting, or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the Members present may vote one from among themselves to take the chair.

Voting at meetings.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Managing Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occuring during the year.

Vacancy in the Committee.

Non-attendance of a member of the Committee without the previous permission of Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

* 17. Any vacancy during the year in the office of the Chairman or the Vice Chairman creatad by resignation or by his going out of India for more than one month shall be filled up by election in accordance with rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence from among its own members.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

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* This rule will come into force from 1-1-20.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Account of the Chamber

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meetings of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves but they can have the assistance of the Secretary of the Chamber if they require it.

Sub-Committees.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of members.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the lists of members submitted to members for the election of office-bearers and representatives on the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

Election of Committee

26. A list of members of the Chamber together with a list showing the attendance of members of the committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship and membership of the Committee duly proposed and seconded and approved by the nominee, shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for

Presidentship or Vice-Presidentship will be *ipso facto* recorded for his election as a member of the Committee. President and Vice President shall be *ex-officio* members of the Committee.

The voting shall be by means of voting papers received in the ballot-box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

This voting by ballot will be carried on in the following manner :—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned in the ballot-box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it on the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be *ex-officio* members of the Committee if they are not already members of the same.

The new Committee shall have the power to co-opt, out of the general body of members, representatives of commercial associations or any members who, in their opinion, will prove useful to them for

consultation, provided that the number of such co-opted members does not exceed five ; and that the total number of the members of the Committee does not exceed 30.

Such co-opted members will be elected by the Committee at its first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of Votes.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being, and a member of the Committee; in the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committtee. All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good

and sufficient reasons it is thought desirable to remove him from his membership of the Chambor. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 50 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring member shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendations of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than 3 months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire shall be entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT.

1. The provisions of Act IX of 1899 (Arbitration) will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state :--

(*a*) The names of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitration make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Court Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar within four days from the filing of the award give notice to the parties and when applied for give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

Schedule.

(1) Fees to be tendered with the Reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act, and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923).

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade-sections, as he may select, viz., (1) Cotton (2) Piece-goods (3) Grain and Seeds (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons. Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose

decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters, should be members of the Chamber or duly nominated representatives of the members of the Chamber with their names registered as such in the Register of Members of the Chamber and the Electoral Roll, provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests :—

Trades	*Seats.*
Cotton...	I
Piece-goods	1
Grain and Seeds... ...	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under rule No, 1;

5. If the number of candidates for election for different sections shall be the sams as the number of vacancies the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two Scrutineers for the scrutiny of voting papers at least 7 clear days before the date of election.

8. On the day of the election the ballot-box will remain open from 10 a.m. to 6 p. m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p. m. (S. T.) on the day of the election and after scrutinising the voting paper shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed, excepting for the purpose of registering their own votes.

9. The candidates or, where there is more than one Trustee to be elected for the different sections, the candidates, not exceeding the number of Trustees to be elected, who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922).

(1) Candidates for the election as a corporator of the Bombay Municipality as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member-associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in conformity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a. m. to 6 p. m. (S. T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in, in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p. m. (S. T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the heighest number of votes shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE IMPROVEMENT COMMITTEE.

(Adopted at the Special General Meeting of the Chamber held on Saturday the 27th March 1926.)

1. Candidatee for ths election as a member of the Bombay Improvement Committee, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member-associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

Changes, if any, in names of representatives should be reported to the Secretary at least one week before the date of the election.

2. Those members who wish to become candidates in conformity with Rule 1 above should send their names to the Office of the Chamber five clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least three clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least three clear days before the date fixed for the election.

5. The Committee shall fix a day (notice whereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a. m. to 6 p. m. (S. T.). Voting papers will be provided to the members in the office of the Chamber after getting their signatures on the counterfoil. These voting papers will be duly filled in by the members in the ballot-box room and placed in the ballot-box. The ballot-box will remain in charge of the Secretary or other officers of the Chamber appointed by him. At 6 p.m. (S. T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes shall be declared duly elected.

7. In case any two or more candidates shall obtain an equal number of votes, the Chairman or, in his absence, the Vice-Chairman shall have a casting vote.

8. In the case of there being only one candidate he shall be declared to be duly elected.

9. In the case of casual vacancy necessitating the election of a substitute the election for such period of vacancy shall be made by the Committee by ballot.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907 to 1913 Hon. Mr. Manmohandas Ramji.

1913—14 Sir Purshotamdas Thakurdas, C. I. E, M. B E. M. L. A.

1914—15 Sir Fazulbhoy Currimbhoy, C. B. E.

1915—16 Hon. Sir Dinshaw Edulji Wacha.

1916—17 Hon. Mr. Lallubhai Samaldas, C. I. E.

1917—18 Late Sir Vithaldas D. Thakersey.

1918—19 Hon. Mr. Chunilal V. Mehta.

1919—20 Mr. Jehangir Bomanji Petit.

1920—21 Mr. Lalji Naranji, M. L. C.

1922 Sir Purshotamdas Thakurdas, C. I. C., M. B. E., M. L. A.

1923 Sir Fazulbhoy Currimbhoy, C. B. E.. (From 24-2-23 to 3-9-23.)

Mr. Devidas Madhowji Thakersey (From 4-9-23 to 25-1-24).

1924 Hon. Mr. Manmohandas Ramji.

1925 The Hon'ble Sir Phiroze C. Sethna O. B. E.

Secretary :—Mr. J. K. Mehta, M. A.

Assistant Secretary :—A. H. Maru.

Representative of the Chamber on the Indian Legislative Assembly—

Sir Purshotamdas Thakurdas, C. I. E, M. B. E., M. L. A.

Representative on the Bombay Legislative Council :—

Mr. Lalji Naranji, M. L. C.

Chamber's representatives on the Board of Trustees of the Bombay Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E. M.B.E., M.L.A., (Cotton)
2. Hon. Mr. Manmohandas Ramji (Piece-goods).
9. Mr. Mathurdas Kanji Matani (Grain and Seeds.)
4. Mr. Lalji Naranji, M. L. C., (General.)
5. Mr. Laxmidas Rowji Tairsey, (General).

Chamber's representative on the Bombay Municipal Corporation:—

Mr. Kisandas Manmohandas Ramji.

Chamber's representative on the Improvement Committee.

Mr. S. B. Billimoria.

Representative on the Advisory Committee of the Bombay Development Department :—

Mr. Manu Subedar.

Representative on the Indian Central Cotton Committee :—

Mr. Lalji Naranji.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay.

Mr. Kapilram H. Vakil.

Representatives on the Local Advisory Committees of Railways.

G. I. P. Railway :—

The Hon. Sir Phiroze, C. Sethna O. B. E.

B B. & C. I. Railway :—

Mr. B. F. Madon.

Chamber's representative on the Executive Committee of Sir Leslie Wilson Hospital Fund.

The Hon. Sir Phiroze C. Sethna, O. B. E.

Chamber's representative on the Committee appointed to consider the future development of Industries Department of the Bombay Government :—

The Hon'ble Mr. Manmohandas Ramji.

Chamber's representatives on the Panel of the Railway Rates Advisory Committee :—

1. Sir Purshottamdas Thakurdas C. I. E. M. B. E. M. L. A.
2. The Hon'ble Mr. Manmohandas Ramji.
3. The Hon'ble Sir Phiroze C. Sethna, O. B. E.
4. Mr. Manu Subedar.
5. Mr. K. H. Vakil.

THE INDIAN MERCHANTS' CHAMBER.

Managing Committee of the Chamber for the year 1926.

1 Lalji Naranji, Esq., M. L. C. (*President.*)

2 B. F. Madon, Esq., (*Vice-President.*)

3 Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E., M. L. A.

4 Hon'ble. Mr. Manmohandas Ramji.

5 Hon'ble Sir Phiroze C. Sethna Kt., O. B. E.

6. Sir Fazulbhoy Currimbhoy Ebrahim, Kt., C. I. E.
7 Jehangir Bomanji Petit, Esq.,
8 Devidas Madhowji Thackersey, Esq.,
9 Hon'ble. Mr. Ratansey Dharamsey Morarj,
10 Kaikobad C. Dinshaw Esq.
11 Laxmidas Rowjee Tairsee, Esqr.,
12 Ishwardas Lukmidas, Esq.
13 S. N. Pochkhanawalla, Esq.,
14 Manharlal Vrajdas Merchant, Esq.,
15 Vithaldas Damodar Govindji, Esq.,
16 Fazalbhoy Ibrahim Rahimtulla, Esq.,
17 Madhowji Damodar Thackersey, Esq.,
18 Kapilram H. Vakil, Esq.,
19 Morarji Mulraj Khatau, Esq.,
20 Husseinbhoy Abdullabhoy Laljee, Esq., M. L. C.
21 S. B. Billimoria, Esq.,
22 Gulabchand Devchand Jhaveri, Esq.,
23 H. P. Mody, Esq.,
24 Walchand Hirachand, Esq.,
25 Gordhandas Gocouldas Morarji, Esq.,

Co-opted Members

26 Manu Subedar, Esq.,
27 Professor Khushal T. Shah,
28 Mavji Govindji Sheth, Esq.,
29 Jamnadas Dwarkadas, Esq.,
30 Bombay Shroff Association, (H. D. Jasani, Esq.,)

Ex-Officio.

31 Mathuradas Canji Mattani, Esq.,
32 Kisandas Manmohandas Ramji Esq.,

THE INDIAN MERCHANTS' CHAMBER.

List of Magazines and Journals received in the Chamber's Library.

Quarterly.

1. Empire Cotton Growing Review.
2. Indian Economic Society's Journal.
3. Vishva Bharati.

Monthly.

1. American Review of Reviews.
2. American Exporter.
3. British Export Register.
4. Bombay Co-operative News.
5. Cotton Spinning & Weaving Returns for Indian Mills.
6. Harper's Magazine.
7. International Review of Agricultural Economics.
8. International Trade Developer.
9. International Labour Review.
10. Labour Gazette, Bombay.
11. Publications of the League of Nations.
12. Liverpool Chamber of Commerce Journal.
13. Manchester Chamber of Commerce Journal.
14. Mercantile Guardian.
15. Modern Review.
16. Sea Borne Trade of British India.
17. Trade by Land of British India.

Weekly.

1. Board of Trade Journal.
2. Bombay Government Gazette.
3. Bombay Market Report.
4. Capital.
5. Commerce Report (U. S. A.)
6. Economist.
7. Gazette of India.
8. Indian Trade Journal.
9. Industrial and Labour Information.
10. International Crop Report (Rome).
11. London Chamber of Commerce Journal.
12. Manchester Guardian Commercial.
13. Nation and Atheneum (London).
14. Nation (New York).
15. Statist.
16. Spectator.
17. Young India.

Gujarati.

Monthly.

1. Bhagyodaya.
2. Budhi Prakash.
3. Nava Chetan.
4. Digamber Jain.
5. Gnan Vardhak & Masik Mitra.
6. Gujarat.
7. Khetiwadi Vignan.
8. Sahitya.
9. Yuga Dharma.
10. Vaidya Kalpataru.

Weekly.

1. Nav Jivan.
2. Sowrashtra.
3. Gujerati.
4. Gujerati Kesari.
5. Gujerati Punch.

THE INDIAN MERCHANTS' CHAMBER.

Annual Ordinary General Meeting.

The Eighteenth Annual General Meeting of the Chamber was held at the office of the Chamber on Saturday the 23rd January 1926 at 3 p. m. (S. T) to transact the following business :—

(1) To receive the Report of the retiring Committee and the audited statement of accounts for 1925.

(2) To record the declaration of the result of the election of the Committee for 1926.

(3) To appoint an auditor for the ensuing year.

The Hon'ble Sir Phiroze C. Sethna, the retiring President of the Chamber, was in the chair. The following members were present:—

The Hon. Sir Phiroze C. Sethna O. B. E., The Hon. Mr. Manmohandas Ramji, Sir Purshottamdas Thakurdas, M. L. A., The Hon. Mr. Ratansi D. Morarji, Messrs. B.F. Madan, Lalji Naranji, Fazal Ibrahim Rahimtoola, Jamnadas Dwarkadas, M. V. Merchant, K. H. Vakil, Gordhandas Gokuldas, Ishvardas Laxmidas, Mavji Govindji, Vithaldas Damodar Govindji, H P. Mody, H. A. Lalji, Meyer Nissim, Madhovjee Damodar Thackursy, Damodar Govindji Madhavji, Kanji Dwarkadas, M. C. Mody, Vallabhdas Jamnadas, Ranchhordas Tribhuvandas, J. K. Dubash, Madhavlal Makanji, Surajmal Lallubhai, S. G. Shah, R. M. Bhatt, Dayaram Sadhumal, Mathuradas Haribhai, Morarji Hemraj, Nassarwanji S Gezdar, Jamnabai Prataprai, Vallabhdas Chattrabhuj Shivji, H. M. Desai, H. T. Munni, Jamnadas Harakhji, Karsandas Kurji, K.D. Jhaveri, and Kisandas Manmohandas Ramji.

Speech of The Hon'ble Sir Phiroze C. Sethna.

In proposing the adoption of the Report, The Hon'ble Sir Phiroze C. Sethna made the following speech :—

Gentlemen,

I have much pleasure in proposing the adoption of the eighteenth annual report of this Chamber. The report has now been in your hands for some time. About this time last year you did me the honour of electing me your President. Now that I am handing over charge to my successor today I may be permitted to observe that the year 1925 was for the Chamber perhaps more eventful than any one of its predecessors. The work of the Chamber as compared to the earlier years is fast increasing but your co-operation and the help rendered by the members of the Committee and particularly the very capable assistance of our Secretary has lightened my task very considerably and I take this opportunity of tendering my thanks to you one and all. The Indian Merchants' Chamber is regarded and perhaps rightly regarded as a live body ever ready to promote the best interests of the Indian Commercial Commnnity. In doing so it only carries out the object for which the Chamber was founded and I am sure that as time goes on it will prove its usefulness to a still greater extent than it has succeeded in doing till now. Much of such success will depend upon the members themselves and particularly upon its Committee and its President for the year. It is gratifying that your selection of your Committee and of your President has been and continues to be of men who are prepared to give of their best for the advancement and the welfare of the Chamber.

In the year under review there were 47 meetings of the Committee and also as many as 48 meetings of the various Sub-Committees held during the same period. The number of important questions dealt with by your Committee came up to about 140. You must have also seen that the questions handled by your Committee were of varied character and intimately affected the interests of the Indian commercial community.

The question which may rightly be regarded as of the foremost importance was of course that of the Currency and Exchange policy of the Government of India, and as the whole country recognises, for the past 7 or 8 years the Indian Merchants' Chamber has made this subject particularly its own. Because your Committee were

patiently, persistently and perseveringly, in season and out of season, hammering their views on the attention of Government—a Government by no means readily responsive to such hammering,—the Chamber takes legitimate pride in the appointment of the Royal Commission on Currency and Finance, though it could not help criticising its personnel. It appears that there were about 150 written statements submitted to the Currency Commission from Bombay and Calcutta in all and about 50 oral examinations. When it is taken into consideration that practically all these witnesses have laid an unflinching and unqualified emphasis on a Gold Standard and Gold Currency and on the ratio of the Rupee to gold being what it was in pre-war days, we may legitimately be excused if we entertain the hope that the recommendations of your Committee should have a reasonable prospect of being accepted and followed.

My remarks to-day would not be complete without reference to a topic which has more or less engrossed public attention since 1920 when the Development project came to be formulated by the Government of Bombay. There are so many rumours afloat in the City at present with regard to the probable future of this project that the public are naturally very anxious to know what exactly is the situation. More than a year back the Government of Bombay submitted the consideration of the whole scheme to the Advisory Committee of the Development Department and this Committee appointed a small Committee, to go into the question minutely and to submit a report. I do not think I am revealing any secret when I say that the Sub-Committee have presented two reports, one a majority and the other a minority report. The minority report is of only one member Mr. Manu Subedar who, as you know, is this Chamber's representative on the Development Department Advisory Board. These two reports must have been considered by now by the full Committee and their publication, let us hope, will be speeded up by Government in view of the great importance which attaches to this subject. Your new Committee may be trusted to deal with the question in a manner befitting its importance and the vast interests involved. The problem which the Government of Bombay and the public will now have to face is not that of utilising the huge

profits which were at one time promised by those who launched this programme but perhaps how to find money from the revenues to make up for what are belived to be huge losses.

Other topics which were equally important and which claimed the attention of your Committee during the period under review were more or less in the nature of hardy annuals like those relating to the Purchase of Stores and the Indian Mercantile Marine. I refer to these two items together as both of them have certain common analogous characteristics. There are certain problems which form, as it were, the bed-rock of national life. They are Currency and Exchange, Stores Purchase, Mercantile Marine and such others. Upon their right solution depends to a large extent the prosperity, growth and progress of the nation. The right kind of policy for Stores Purchases contemplates the purchasing by Government of all their requirements in the country itself. Government requirements as cannot be had from indigenous manufactures should per force be purchased from the cheapest market. Despite representations sent from commercial bodies, both European and Indian, and resolutions of the Legislative Assembly the Government of India have not yet seen their way to making any change in their stores Purchase Policy beyond issuing new rules in the middle of 1924, with the result that the Indian Industries do no get that impetus which is so very necessary in these days of trade depression and the taxpayer has to pay more for the large purchases made annually for the use of Government Departments.

With regard to Mercantile Marine, it is the same case again, for without its own national shipping no country can hope to make any head-way in trade and industries and the attitude of Government, therefore, who have sat tight on the report of the Mercantile Marine Committee is to be greatly deplored and regretted. The Hon'ble Sir Charles Innes assured your Committee when he came to see them sometime back

> "that he might inform them that he had given a definite pledge to one or two members of the Assembly that he would give a Government day for the discussion of the main recommendations of the Indian Mercantile Marine Committee early in the Delhi Session."

Let us hope that the promise then given will be fulfilled during the current session of the Legislature and more, that we shall not be expected to rest satisfied with the passing of one or two pious resolutians but that active steps will be taken to put into practice the recommendations of the Mercantile Marine Committee. It now transpires that Lieut. Sayers has prepared a report about the naval training of Indian boys and it remains to be seen what are the lines recommended by him and what will be attitude of Government

There was one direction at least during the course of the year, just ended, in which Government showed, though belated, some regard for public feeling. I refer to the suspension of the Excise Duty, an ever bleeding sore which was prolific of so much discontent and disaffection. Government after all took their courage in both hands and have suspended the Excise Duty in accordance with the terms of the resolution of the Legislative Assembly which was moved in the Assembly by the representative of this Chamber on that body viz. Sir Purshotamdas Thakurdas. It is devoutly hoped that the suspension will within the next few weeks be definitely converted into abolition and thereby this long-standing grievance be permanently removed. Notwithstanding the suspension of the Excise Duty the condition of the textile industry has not improved. Through a combination of circumstances this condition is growing worse and Bombay must be prepared in the near future for any amount of acute industrial distress, unemployment and still greater trade depression than exists at present. I shall not attempt any forecast in such matters where prophecies of men far abler and more experienced than myself have gone wrong; but I may say this, that though trade and industries have turned the corner in the United States and in England and to a partial extent in Europe, they have not done so in this country, at any rate in this Presidency. Concerted action on the part of manufacturers is very essential and if they get the co-operation of employees, the public i e. the consumers, and also the Government i.e, the controlling authorities, it is likely that some solution may be found of the impasse to which we have come.

Intimately allied with the textile industry is the Share and Stock Exchange of this city known as the Native Share and Stockbrokers'

Association. I say intimately allied, for the prosperity of this Association is always dependent upon the prosperity of the premier industry of this Province. It was during the boom times in the textile industry when dividends in some cases of 100 percent and even more were being distributed that this Association saw a wave of great prosperity but after the boom period the business done on the Stock Exchange has necessarily suffered a serious decline. The Atlay Committee was appointed by Government in response to public demand for the eradication of certain abuses in the working and the methods of this Association. Even after the publication of the report of that Committee Government waited for a long time before they would take any action upon those recommendations. When it was found, however, that there was no probability of the sound and wise recommendations of the Atlay Committee being accepted by the Association Government were forced to step in and to pass a small piece of legislation known as the Bill to regulate and control certain contracts for the purchase and sale of securities in the city of Bombay. The proper working of a Share and Stock Exchange is always a great desideratum in the field of trade and industries and we may well hope that this is now assured to the Stock Exchange by the legislation which has been passed so recently, thus securing a stable market for securities which would safeguard the rights and interests of the investing public and not be used itself as a mere pawn in the game by opposing speculaters.

Another subject to which our Chamber has drawn the attention of Government on more than one occasion before and which it should receive is that of the one-anna stamp duty on cheques. Our Committee in submitting their opinion to the Babington-Smith Committee in 1919 observed that the use of credit instruments in the form of cheques was still to be made popular in India and recommended strongly for this purpose the abolition of the one anna stamp duty on cheques which had among other things come in the way of this form of credit instruments helping to economise the general currency as it has done in several countries in Europe and America. There is no duty at all on cheques in the United States of America and it is a positive mistake that such a poor and ill-developed country like India should

have to put up with an anna duty on cheques. The problem of expansion of credit and facilities for exchange of commodities is a big one in this country and I belive that the removal of this one anna duty on cheques or at any rate its reduction to half an anna, will go a great way towards getting a solution of this problem.

An event of some significance to trade and industries was the publication of the report of the University Reform Committee. That Committee consisted mostly of businessmen and they have justified their reputation by at least making one business proposition which is to bring the University into closer and more intimate touch with commercial bodies. A pure academic education may be a good thing in itself, but divorced from the practical problems of the day and specially from business it becomes sometimes either a luxury or a useless burden. The report of the University Reform Committee is now under consideration by the senate and I hope that a broad vision untrammelled by past conventions or traditions will be the guiding principle in the deliberations of the Senate.

Before I close, I should like to refer to a matter which may be called domestic. You must have noticed from the report that we lost 48 members during the year under review, but as 30 new members joined, the total number of members is 18 less than in the year preceding. The Chamber had reached the high-water mark of members in 1920-21 when it had on its roll no less than 530 members, but since then owing to trade depression our strength now stands at 454. Those companies or individual merchants who had the misfortune of winding up their business under pressure of bad times could not naturally continue as members but there are several others who in times of slackness when thinking of retrenchment in their expenditure consider subscriptions to public institutions like the Chamber in the nature of a luxury and apply the scissors to it first. To such people I would venture to offer one word of friendly advice. It is the principal function of Chambers of Commerce not only to act as watch-dogs of trade and industries but also to help so far as lie in their power individual merchants and individual companies in the prosecution of their business. Those who understand this function of a Chamber of Commerce can get much individual advantage by

working through such institutions. It is, therefore, in times of depression that Chambers of Commerce can be even more useful and helpful than what they are in ordinary times. It depends upon the members themselves to make as much use as possible of such institutions. In order that the activities of such institutions may be still further increased their numerical strength should be increased as best possible. There is a great future in stores for the Indian Merchants' Chamber and the like institutions throughout the country.

Speaking of the importance of Chambers of Commerce, I should now like to deal with the question of the Indian Industrial and Commercial Congress, which as probably you all know is to be held under the auspices of this Chamber in Delhi under the Presidentship of Lala Harkishanlal on the 19th and 20th February 1926. Both the first and second sessions of this Congress were held in Bombay under the Presidentship of Sir Fazulbhoy Currimbhoy in 1915 and 1920, respectively. It was then thought that some other Indian Chamber of Commerce would take up the idea to hold it at their important Presidency towns. Unfortunately, this expectation was not realised, but this year on the suggestion of several Indian Chambers of Commerce and commercial Associations we have decided to hold the session at Delhi so to be nearer several Indian Chambers of Commerce and at a time when the two Houses of the Central Legislature will be in session in that city. There was always felt a want of such a central organisation and institution which will be focussing the whole of the Indian industrial and commercial opinion and the Committee of this Chamber hope that you will all try to make the forthcoming Congress a great success by attending it in large numbers either as delegates or as members of the Reception Committee.

At the beginning of my remarks I referred to the valuable help I have received from my colleagues of the Committee and to them I extend my thanks once again. I will be wanting in my appreciation if I do not make special reference to the services of our Secretary, Mr Jaysukhlal Mehta who identifies himself with his work and regards the honour and the prestige of the Indian Merchants' Chamber as his own. Whilst I have referred in general to my colleagues of the Committee and in particular to the Secretary, I trust it will not be

considered invidious if I make special reference to the services of Mr. Madon our Vice-President. His self-sacrifice and self-abnegation are matters with which you all are thoroughly conversant. During my absence on different occasions amounting to a period of more than three months when I had to attend the Council of State Mr. Madon acted for me in a most satisfactory manner and I know that the Members of the Chamber would have very much desired to see him in the Chair as my successor. He however, gave us distinctly to understand that he would prefer to continue as Vice-President and the Chamber has reason to congratulate itself in having him to continue in this position. We have likewise to tender to him our best thanks for his services in the matter of the evidence on behalf of the Chamber before the Royal Currency Commission. Finally, I congratulate the Chamber on having selected Mr. Lalji Naranji to preside over its destinies during 1926. He has filled this position once before with distinction and he is bound to do so once again.

Mr. Lalji Naranji, M. L. C., the newly elected President seconding the adoption of the Report made the following speech :—

Mr. President and Gentlemen,

I am much obliged to you for the confidence that you have reposed in me in unanimously electing me as Chairman of your Chamber again after an elapse of five years and I have to thank you all for the honour that you have done me for the second time. The importance of our Chamber is being manifested in every way that to-day it can claim as the mouth-piece of Indian commercial interests throughout the country. So many questions affecting finance commerce and industry of the country have been considered by our Chamber and so many important are coming up for consideration that every day the position of the Chairman of our Chamber is becoming more and more difficult, but I take consolation in the fact that however difficult the situation may be and however delicate the subjects that have to be discussed one can always depend upon the ready and willing co-operation and assistance from the members of the Committee. I hope and trust that I shall count upon such co-operation and assistance from all

the members so as to enable me to discharge the responsible task that has been entrusted to me by you, Gentlemen.

The Hon'ble Mr. Sethna, the retiring President, has already exhaustively dealt with all important questions considered by our Chamber during the year which has ended. These have now become historic past and we have before us the interesting present and the indefinite future. The whole world, so far as questions of finance, trade and industry and commerce are concerned, is, as it were, in the throes of a convulsion. In no part of the world can we say that conditions are settled. At such a stage, India, as a subordinate nation, has to accept, without any alternative, the subordination of her interests to those who are assumed to be in charge of her trusteeship, whether in relation to commerce, industry, economy or politics. To my mind, certain very important questions are bound to come for discussion before our Chamber during the coming year and they are :—

1. Insurance
2. Banking, and
3. Shipping.

So far as legislation pertaining to the transaction of Insurance business in India is concerned, you, Gentlemen, are aware that the Government have already published the text of Bill and our Chamber have already expressed their views in that behalf which will be considered by the Select Committee of the Legislative Assembly again to be approved by the Government.

In regard to Banking, there is bound to be very interesting developments. The findings of the Royal Commission on Currency will give our Chamber much food for considerable thought. Although there was a unanimous demand all over the country for the addition of more Indians to the Commission, the Government were adamant in their attitude. But I hope that in the event of the minority making a separate report, the Government of India will see the wisdom of not ignoring that report but giving effect to it thereby showing that Indian interests are paramount with them. There is a large cry

for adopting a Gold Standard in India and I hope that India will very soon be placed with the level of other countries and have her Gold Standard and the Gold Currency. The bogey of consulting the American interests who are concerned in the production of gold cannot prevail upon us by telling us that we connot expect to get gold for debts of other countries which we are entitled to get in exchange for our raw products. The interests of India have all along been subordinated to the interests of England but I do hope that the Indian interests will be considered as of essential importance and that justice will be meted out to her without any other considerations. As regards the transfer of the work of remittances to the Imperial Bank on behalf of India, this will, I am sure, give a fillip to Indian Banking. At the same time, I earnestly hope that the Imperial Bank will be so organised that it will give wider powers and wider interests to Indians as superior officers in the administration of its affairs. Indians have not been lacking in ability as regards Banking and Exchange and it is only proper that in the course of the next five years almost all the important offices in the Imperial Bank will have been occupied by Indians.

Shipping. Now I come to the question of shipping. Very soon the resolution with regard to the reservation of the Coastal trade will come before the Assembly. The question of training Indians according to the unanimous recommendation of the Mercantile Marine Committee will soon be a practical thing at an early date, and we are bound to see very soon that India will possess her own Mercantile Marine. Countries that have far less coastal trade are proud to possess their own Mercantile Marine and to my mind it is a disgrace to those that are governing India to find that after 150 years rule India has not been able to have her own Mercantile Marine.

Now coming to the general industries, such as Textile and Iron and Steel, the prospects do not appear to be cheerful. Much will depend on the policy and the course the Government will take. India does not want protection in the sense that protection is understood, but what she wants in these trades are fair conditions and free competition. Conditions created by a depreciated exchange of countries like Italy and Japan and even England should be placed

on fair footing by raising the duty in proportion to the fluctuation in exchange of such countries on the basis of pre-war rate. Condition of labour also must be enquired into and countries which do not follow the regulations of the Washington Conference to which India has been made a party should be chosen and duties fixed accordingly to save Indian industries.

The question of transport is a very serious one and the question of revision of railway freight will soon be taken up as will appear from the announcement made in the speech of the Viceroy on the 20th instant on the opening of the Legislative Assembly. A tribunal is going to be appointed to go into these questions. I should like to remind the Government of India that the personnel of the said tribunal should be such as will inspire the confidence of the Indian commercial community and that confidence can be obtained only by appointing a majority of Indians and by making that Tribunal a statutory body and not merely advisory.

It has always been remarked both in the speeches of H. E. the Viceroy and the Secretary of State that it is most difficult for them to go a step forward in reforms because they have always found that Indian interests are so divided. May I here point out to both of these high personages who are supposed to be the custodians of Indian interests whether they do not agree that there is a complete unanimity so far as Indian interests in connection with trade, finance industries and commerce are concerned. Happily the question of caste or creed or colour has never arisen when discussing commercial matters or questions of finance and economy and I therefore do not see why the Government should not extend their reforms in the direction of giving complete fiscal autonomy so far as these interests are concerned. If only the Government are sincerely anxious to give India a forward step in regard to finance and industries they should not hesitate a moment to give complete autonomy in financial matters in its real sense.

I do not want to anticipate what the future is going to be, and what I have sketched above are only some of the important things which are bound to crop up for discussion and consideration for the

coming year. I do not desire to inflict any long speech at this time, but I hope that by the time I lay down my responsible office of the President of this Chamber this time next year the Chamber would have done more important and solid work. I again appeal to everyone of you, Genelemen, to give me all the assistance that it is possible for you to give to make my task as easy and pleasant for you, Gentlemen, will agree with me that with your co-operation and willing assistance only my task as the President can be successful. I have again to thank you, Gentlemen for the honour that you have done me.

Speech of Mr. B. F. Madon.

Mr. B. F. Madon, the newly elected Vice-President further supporting the proposal said :—

Mr. President and Gentlemen,

I have much pleasure in supporting the proposal for the adoption of the report moved by the Hon'ble Mr. Sethna our retiring President and seconded by our President for the coming year Mr. Laljee Naranjee. Both these gentlemen have in their speeches already indicated the questions with which this Chamber had to deal in the past year and those that we shall have to tackle during the coming year. While, I have no doubt, that many of these questions are of great importance to trade and industry in this country you will, I hope pardon me for emphasising the question of Exchange which to my mind is the one question of supreme importance at the present juncture. As you are aware, this Chamber has been making a most strenuous fight to stop the exchange manipulations of the past 5 or 7 years, and get this country back to pre-war parity with an automatic working of our Exchange and Currency System. It was, no doubt largely the continuous agitation by this Chamber that ultimately resulted in the appointment of the Royal Commission, and although its constitution is not such as the Indian Commercial Community could have wished, I still hope that on a thorough investigation of the question, the Commission will be convinced of the soundness of the argument for a return to the pre-war ratio, and will do justice to India.

This question of Exchange is so difficult for the layman that it is not as well understood as it should be how any change in the pre-war ratio can harm trade and industry. Our most important industry on this side of the country is that of Cotton manufacture and we all know the terrible straits in which this industry now finds itself, but I am afraid many of the leaders in this industry do not quite understand or appreciate how vital a bearing the question of the ratio has on that industry. This was why many of them were quite confident that the industry would be again set on its legs as soon as the excise duty was removed, and concentrated their entire attention on this question to the exclusion of the question of Exchange. The duty has been snspended, and the relief that every one so ardently hope for is not yet in sight. On the contrary, we hear of mills again shutting down, because they cannot see their way to work at a profit under present conditions even with the excise duty out of the way. A great deal of attention is now being paid to other issues, namely, the condition of labour in Japan, the depreciated currencies of that and an other country etc. These are all, undoubtly, serious matters but they should not make us lose sight of the fact that the raising of our rate of exchange to 1s. 6d. is something still more serious, and something that very severely handicaps our industry here as against its competitors in foreign countries. I will give an instance. Let us suppose there is a mill here, which has to pay Rs. 150,000 a month for wages and salaries. This means that with Exchange 1s. 4d. it is paying the equivalent of £ 10,000 a month for its skilled and unskilled labour. Government has in the past 12 months put the rupee upto 1s. 6d. This means that if this mill continues to pay the same Rs. 150,000 to its skilled and unskilled labour it is now paying £ 11,250 to day as against £ 10,000 that it paid before. It is thus made to pay 12 1/2 per cent. more wages in terms of gold for the same amount of work and at the end of year this makes a big hole in its profits. Many of our Millowners do see that a hole is being made in their profits; and with some of them it meant not profits but serious additional losses, and it was in consequence of this that we saw the attempt made 6 months ago to reduce wages by some 11 1/2 per cent. You no doubt all of you remember the

bitter controversy that then went on. Labour abused the capitalist with oppression and undue greed, while the capitalist in his turn charged labour with inefficiency and absenteeism and what not. Neither side seemed to see that it was the action of Government in putting exchange up that had made labour 12 1/2 per cent. dearer in terms of gold, and that the capitalist had no option but to cut wages down by 11 1/2 per cent. to restore the status quo. As you will see the 11 1/2 per cent. that the Millowners were trying to cut down from the wages of labour exactly covers the above handicap in exchange, because the £ 1,250 that Government action has added to the monthly wage bill is just about 11 1/2 per cent, of its present value of 1,250 although it was 12 1/2 per cent. on the original wage bill of £ 10,000. I do not know by what methods the Millowners come to the conclusion that a cut of 11 1/2 per cent was needed, but the above figures will show you that it was the exact amount necessary to readjust the position brought about by the manipulation of exchange, I am very much afraid that if Government insist upon keeping exchange where it now is, there will be no option for our Millowners but to make a fresh attempt at cutting wages down and in the present mood of labour it is going to be a most bitter struggle. Then again even capitalists, hard-hearted and avaricious as they are supposed to be, do not invite strikes lock-outs, because they very well know the serious losses that such things bring in their train in other directions. Therefore, if the fresh attempt to reduce wages is made, it will only be attempted after many of these mills have made further heavy losses and find it possible to carry on. You will easily see that one consequence of this must be a few more insolvencies and liquidations to our industrial concerns, which cannot but prove a serious set-back to industrial development in this country.

This question effects not only industry but trade also. We all know how serious the depression in all lines of trade has been for the past three years. All buying has become hand to mouth, and there seems to be a serious lack of purchasing power. It is not difficult to understand why this should be so if we reflect that the bulk of the population of this country depends on agriculture, and

it is to their purchasing small individually, but enormous in the aggregate that provide a market both for our imports and for locally manufactured goods, and it will, therefore, be easy to understand that the prosperity of all of us connected with trade and industry depends on the prosperity of our agricultural population. Now it is a notorious fact that all over the world the prices of agricultural products are much below the general level of prices. The same is the case in India, and consequently our agricultural population is getting much lower prices than it has a right to expect in view of the general price level. This means that it has a much smaller surplus income to spend on other things than the absolute necessities of life. The action of Government in raising exchange to 1s. 6d. has made the position of the agriculturists much worse than it would otherwise be, and has still further reduced the surplus income that he could dispose of in the purchases of cotton piece-goods or other commodities. You will now understand why in spite of four good monsoons in the succession, we have this paralysis of buying power that we see to-day, and I hope it will now be also clear to you how important it is first for the agriculturist and then through him for us all who are interested in trade and industry that the rupee should be put back on its pre-war ratio.

I shall now come to a cognate question namely that of depreciated currencies that our friends of the Millowners' Association appear to be now energetically taking up. There has been a great deal of misapprehension on this question also, and there are people who argue that depreciated currencies cannot do any harm because what such countries gain on their finished products they lose on their raw material etc. But to advance such an argument is to overlook the fact that raw materials are not the whole cost of any product and that in ordinary cotton goods the raw material accounts for only one half of the cost, and if the goods are of higher qualities or higher finishes the proportion with that the cost of the raw material bears to the total cost of the finished product is even less than half. However, without going into this proportion, I will once more take the instance of the wages and, salaries bill in a Cotton

Mill. Suppose there is a Japanese Mill that is paying Yen 100,000 monthly. If the Japanese yen was at par, this would mean that this Japanese Mill was paying about £10,000 a month in wages and salaries. To-day the Yen is depreciated below the gold par to the extent of about 12½ per cent. Therefore, this Mill has really to spend only £ 8750 for the same amount of work done. You can easily see that this by itself would give the Japanese Mill a great advantage, because it would be saving some £ 15,000 a year on its wage bill alone, and to that extent its competitor in this country would be handicapped. When, however, we bear in mind that while the Japanese exchange is depreciated by 12 1/3 per cent., ours has been artificially appreciated by another 12½ per cent. You will readily see that the handicap on the Indian mill is 25 per cent on its wage bill, alone, or in other words the Indian Mill whose wage bill was equal to £10,000 at the normal rate of exchange is to-day paying £11,250 while it is Japanese competitor who was paying £10,000 also to-day pays only £8,750. Therefore, the Japanese Mill is better off to the extent of £2,500 a month or £30,000 a year as against its Indian competitor, and it will then not be difficult for you to understand why the Japanese Mill is able to undersell the Indian Mill in this country. The same argument mutatis mutandis applies to France or Belgium or Italy or other countries whose currencies are much below their pre-war par. While the working conditions and hours of labour in these countries have also a certain influence, we must not forget that they were there even 12 or 14 months ago, and yet our industry was able to then maintain its ground. What has happened to make the competition so deadly now? I think it is exchange that is the chief culprit, and until something is done to neutralize the advantage that these depreciated-exchange countries now have over Indian industries, I am very much afraid the position will become worse and worse. I, therefore, think this question of depreciated-exchange together with that of getting our own exchange back to the pre-war par should be the most important objectives that this Chamber will have to work in the near future

Gentlemen—I do not wish to take up any more of your time, and therefore, will conclude my remarks by sincerely thanking you all for

the confidence you have shown in me by re-electing me your Vice-President, and you can rest assured I will do my best to deserve the confidence so reposed in me in my tenure of office during the coming year.

I now commend the proposition moved by our worthy President to your kind approval.

After some members had spoken, the report was unanimously adopted. The Secretary then announced the result of the ballot for the Chairman, Vice-Chairman and the Members of the Committee for 1926.

After appointing Mr. Devidas Vithaldas as an auditor for the year, and after a vote of thanks to the retiring Committee and the Chair, the meeting terminated.

REPORT OF THE COMMITTEE
OF THE
INDIAN MERCHANTS' CHAMBER

for the year 1925 presented to the Annual General Meeting of the Chamber held on 23rd January 1926.

Your Committee have pleasure in presenting the Eighteenth Annual Report of your Chamber. During the course of the year 45 meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads :—

(*a*) Railways and Shipping; (*b*) Currency, Exchange and Finance; (*c*) Government Stores Purchase Policy; (*d*) Tariffs and Taxation; (*e*) Public Enquiry Committees and Commissions; (*f*) Trade and Industrial Legislation; (*g*) General Trade and Industry; (*h*) Interviews with Government Officials (*i*) General.

(A) RAILWAYS AND SHIPPING.

(a) Railways :—

1. Packing conditions :

(Vide Chamber's report of 1924 Appendix 13 pp. 110-1).

A letter was received from the Secretary, Indian Railway Conference Association, regarding the revised packing conditions for piece-goods booked by rail, stating that the introduction of those con

ditions had been postponed until the first of April in order that the question might be discussed with representatives of the interests concerned. It was further proposed to consider the matter at the next meeting of Traffic Committee of the Association at Calcutta and the Committee were requested to notify the various Associations interested and to arrange for them to be represented at the meeting. The Committee in reply informed the Railway Association that they appointed as their representative, Mr. Manmohandas Ramji, to attend the meeting. As Mr. Manmohandas Ramji could not attend the meeting, the Committee appointed Mr. J. K. Mehta, Secretary of the Chamber, as their representative to attend the meeting. A copy of the resolution of the Traffic Committee of the Railway Association regarding the revised packing conditions was afterwards received from the Chief Traffic Manager, G. I. P. Railway, which showed that the Railway Companies had practically acceded to all the demands of the Commercial community.

2. Classification of railway materials in the Sea-Borne Trade Return.

A letter was received from a member of the Committee on the above subject stating that the Committee should address the Director General of Commercial Intelligence pointing out that they would like to see greater details under the heading of railway materials. The details required were.—

(1) Wagons (2) wagon parts on public or private account separately (3) locomotive and locomotive parts on public or private accounts separately. The Committee thereupon addressed the Director General of Commercial Intelligence, Calcutta, in terms of the above letter.

In reply a letter was received from the Director General of Commercial Intelligence and Statistics stating that in view of the fact that carriages, wagons and locomotives were not ordinarily imported whole, it was not practicable from a Customs point of view to record the valuations of whole carriages, wagons or locomotives separately from their part. He was enquiring into the practicability of separa-

ting wagons from carriages under Government stores, as was done under private merchandise.

3 Non-booking of sample parcels of matches on the B. B. & C. I. Railway:

A letter was received from the Gujerat Islam Match Mfg. Co., Ltd., Ahmedabad, stating that they were allowed to book their samples of matches securely packed to different stations by Railway parcels throughout India for years past but the railway authorities refused to accept these samples since August last year under the plea that the rules laid down in the Red Pamphlet did not permit matches being booked by passenger trains. The Committee were requested to do the needful in the matter. The Committee thereupon addressed the B. B. & C. I. Railway drawing their attention to the above complaint. It was pointed out, that such parcels could be despatched neither by goods train owing to very light weight nor through post, the nature of the contents being inflammable. The match industry, under the circumstances had not a single means left for despatching their samples to the various stations which was quite indispensable in the present stage of the match industry in the country. The Committee understood that both in Sweden and Japan samples of matches were allowed to be booked by railway parcel. The Committee therefore failed to understand, why the same facilities were refused here and wished to be informed of the reasons for not accepting such parcles and if there were no valid reasons to arrange for their acceptance. In reply the attention of the Committee was drawn to the remarks "not carried by passenger trains" in the Red Pamphlet. It was suggested that the Chief Inspector of Explosives should be addressed in the matter. The Committee requested Sir Purshotamdas Thakurdas, their representative on the Advisory Committee of the B. B. & C. I. Railway and Mr. Manmohandas Ramji to take up the matter.

This matter was also discussed by the Committee with Mr. G. G. Sim, Financial Commissioner of Railways on the 27th June. Mr. Sim stated that the members of the local Advisory Committee of the B. B. & C. I. Railway were satisfied that the Railway had done

all it could and that the trade should now take up the matter with the Chief Inspector of Explosives.

Thereupon the Committee addressed the Chief Inspector of Explosives, Government of India, to the effect that small samples of matches were hitherto being carried by the B. B. & C. I. Railway in passenger trains. Manufacturers of matches had to send these small samples to different places free of charge and could not afford to get the same packed in boxes of a minimum weight of about 10 seers. The parcles for instance they had been sending by passenger trains were about 2 to 2½ lbs. On account of the restrictions recently enforced manufacturers of matches had been put to a great deal of inconvenience and trouble and they trusted that looking to the interest of that important industry the Chief Inspector of Explosives would be pleased to allow the sample parcels to be carried by passenger trains. In reply the Committee were informed by the Chief Inspector of Explosives that he had now decided to recommend the relaxation of conditions for the transport of safety matches so as to allow sample parcles being conveyed by brake-van in passenger trains under the conditions that a sample parcel to consist of one packet that is to say 12 boxes; it should be packed in a strong wooden box containing an inner case of zinc or tin which should be hermetically sealed, the thickness of the wood of the outer case should be not less than ¼ inch; and not more than 50 sample parcels should be carried in brake-van at any one time; they should be placed by themselves and as far away as possible from other goods in the van. Afterwards a letter was received from the B. B. & C I. Railway to the effect that according to the Chief Inspector of Explosives' orders, instructions were being issued to the staff to accept sample parcels of safety matches for despatch by passenger trains.

4. Booking of sample parcles of Bengal Light Matches by Railways.

A letter was received from the Gujarat Islam Match Mfg Co. to the effect that no mention was made in the orders of the B. B. & C. I. Railway regarding the carriage of sample parcels of Bengal Light matches, and requesting the Committee to address

the Chief Inspector of Explosives to recommend to the Railways to allow the transport of sample parcels of Bengal Light matches in passenger trains. The Committee accordingly addressed the Chief Inspector of Explosives requesting him to be good enough to remove restrictions also in the way of samples of Bengal Light matches which would be of great help to the indigenous industry as he had done in the case of safety matches. In reply the Committee were informed that he was not prepared to recommend any relaxation at present to the restrictions covering the transport of Bengal Light matches by railways as was done in the case of safety matches. He added that Bengal Light matches fell well within the category of "Matches, Non-safety".

5. Railway Freight on Non-Safety Matches.

(*Vide* Appendix 12 of the Chamber's Report for 1924).

In this connection the Committe addressed the M. & S. M. Railway to the effect that it had been represented by the match manufacturers that the concessions the Company was pleased to give regarding the acceptance of their consignments on actual weight was to be given effect to only in certain restricted areas in the direction of Madras *via* Dadar and Raichur, Bengal Light Matches, however, were sent by the manufacturers to several stations on other parts of the Railway and all such consignments would still be charged for 20 maunds minimum, which in other words meant that the consignors had to pay Rs. 39-3-11 instead of Rs. 4-2-5 per maund. It would be realised that it would be quite impossible for the Indian manufacturer to do business with stations in the Hubli direction on such terms and the only consequence would be that foreign matches which already enjoyed a favourable rate from Madras would secure the whole trade to the detriment of the indigenous industry. Other Railways such as B B. & C I., G. I. P., S. I. and N. W. Railways and others had agreed to carry Bengal Light matches on actual weight on all of their railways without confining the booking to certain junctions or stations. The Committee hoped that in fairness to the indigenous industry the Railway would be pleased to extend the same concessions as those railways did to the match industry on

all sections of their line. In reply the Committee were informed that the Bengal Light matches being considered as "non-safety" had to be carried in separate wagons and could not be loaded with other goods. It was therefore necessary when carrying consignments of these matches to arrange for a special wagon and for that reason a minimum of 20 maunds was charged for. In the case of traffic from Ahmedabad to Madras *via* Dadar and Raichur the consignments were charged for on actual weight on maunds as special wagons were arranged to run, the quantity of the traffic justifying such an arrangement. It was further stated that the Railway was prepared to make similar arrangements for that traffic in other directions provided a sufficient quantity of traffice offered.

6. Terminal Traffic in Bombay.

A letter was received from the Government of India, Railway Department, regarding the above subject in which it was stated that Mr. C. W. Lloyd Jones, Agent and Chief Engineer of H. E. H. the Nizam's Guaranteed State Railways, had undertaken to investigate into, and report on the above matter. The Committee were requested to send their views to him thereon. The Committee addressed a letter to Mr. C. W. Lloyd Jones stating that the question under reference was not a new one and had a pretty old history. So far back as 1904 the Government of Bombay consulted the Bombay Chamber of Commerce (the Indian Merchants' Chamber was not then in existence) with reference to the proposal for the extension of the railway communication and facilities within the Island. That Chamber was asked among other things, whether through trains for passengers from and to distant stations should be run to and from Victoria Terminus. Among the accompaniments to that letter from the Government of Bombay, there was a note by the Consulting Engineer for Railways, Bombay, in which he dealt specifically with the suggestion that "there should be one central terminal passenger station in Bombay at and from which all mails, mixed and long distance passenger trains (*i. e.* all but local and suburban) of both the G. I. P. and the B. B. & C. I. Railways should arrive and depart and that Victoria Terminus with easy and efficient connection with the new

Docks would naturally be this terminal station." They had no doubt that Mr. Lloyd Jones must have those papers with him but for purposes of ready reference they attached therewith a copy of his note on those suggestions. It would be seen from that, that he was opposed to having all the long distance traffic diverted to Victoria Terminus. The next stage of the controversy was when in 1907 the Government of Bombay consulted different commercial bodies with reference to the "increased important schemes for the development of Bombay city and improvement of communication in the Island." The Committee who were consulted by the Government at the time considered both those questions together. They emphasised the question of the B. B. & C. I. Railway being dispensed with from Grant Road and so their opposition to the suggestion that Victoria Terminus being made the terminal for all the long distance traffic did not come out so properly. Nevertheless even at that time they were opposed to the idea. Their opinion against the proposal to make the Victoria Terminus as the terminus for all long distance traffic had been during all that period strengthened rather than weakened. The population of Bombay which was as all populations of large cities conservatively fixed to certain areas had shown a healthy desire to move from its old moorings to further north in the Island itself even suburbs situated north of the Island of Bombay. Crores of rupees had been spent upon reclamation and development of the northern portion of the Island and suburbs situated in the West Salsette. Schemes of railway development like quadrupling of the B. B. &. C. I. Railway and its electrification were being pushed forward and the effect of all these would be to tempt people to move out to the northern portion of Island and suburbs It would be disastrous for all those projects of development if any steps were taken like the proposal to move all the long distance traffic into the Victoria Terminus, the only effect which would be to cause considerable inconvenience and annoyance to the travelling public. It would be extremely inconvenient if people residing in Girgaum, Grant Road locality and still further north were put down at Victoria Terminus or even at Byculla on their homeward journey or required to go to that station for any outward journey. The Committee believed that the Victoria Terminus would have platforms nearing two dozens if

the scheme were finally carried. The third class waiting hall was proposed to be located on the Hornby Road side. It might well be imagined what a long overbridge passengers would have to cross and what would be the cooly hire charged to them. Not only that, but there would be a great possibility for confusion for poor and ignorant passengers who might be carried off long distance in the wrong direction, if they made a mistake. Increased cab fares and cooly hire with all the concomitant inconvenience and harrassment would be the lot of passengers if the proposed scheme was adopted. In London, New York, Montreal and Paris there were more than one terminal stations. It need not be pointed out that the bulk of the passengers who were dealt with by both the Railways were third class passengers and the question of making the Victoria Terminus as the terminus for long distance traffic of both the Railways should be looked at and considered mainly from their stand-point. Not only would they be put to a larger expense and greater inconvenience but there would be a great danger from unscrupulous and designing people both of the railways and otherwise who would find such a good collection of the people a very big vantage ground for their business of fleecing the poor and ignorant passengers. For all those reasons they were strongly opposed to the proposal to have the Victoria Terminus as the terminus for long distance traffic on both the railways. If the Victoria Terminus could not thus be made a terminus the only other alternative was the construction of a new Terminal station at Bellasis Road near Grant Road. They accorded their approval to that alternative which would provide a natural and logical terminal station to the heavy long distance traffic coming by the B. B. & C. I Ry. It might not be considered out of place to mention that that Railway had recently made many improvements and modifications to suit the convenience of both its long distance and local traffic. Construction of a Terminal station near Grant Road would be the logical culmination of all those efforts at providing necessary facilities and amenities to passengers and if this was done it would result in giving a big impetus to the movement of the population northward which was, the Committee believed, the end and object in view not only of sanitary reformers but even of the Government.

7. Claims against Railways on account of thefts.

The Committee addressed a letter to the Railway Board drawing their attention to the discussion in the Assembly on the above subject and stated that their representative in the Assembly, Sir Purshotamdas Thakurdas, had then pointed out the need for an analysis of the claims by quantities so that it could be readily seen whether that evil was increasing or decreasing, because fluctuations in prices made it impossible to see that, clearly from figures of values alone. Their representative had further suggested that regular statements of the total value of claims lodged, claims admitted and claims rejected should be submitted by the Agent of each Railway to his Local Advisory Committee so that that body might examine them in the light of their own knowledge of local affairs. If those statements then came before the Railway Board with the remarks of such local bodies it would help them in devising means both to control that evil and to remove the causes of public discontent in the matter of disposal of those claims. The Committee would be glad to know what action, if any, the Railway Board had taken on the suggestion of their representative and whether any instructions had been issued to the Agents of the various Railways to submit statements to their local Advisory Committees as suggested.

In reply a letter was received from the Secretary, Railway Board to the effect that statistics of the nature described, showing number of claims lodged, admitted and rejected on all principal railways had been received by the Railway Board quarterly since 1924, and railways were being asked to place copies of those quarterly statements before their Local Advisory Committees.

8. Use of Indian Imitation Leather Cloth by Railways

A letter was received from Messrs. Dharamsey Morarji Woollen Mills, Ltd., regarding the use of their imitation leather cloth by Indian Railways. It was stated that they had made great many efforts to introduce their stuff on almost all the Railways in India but the response from them had been slow and inappreciable. The Chief Controller of Stores was good enough to recommend their product to some of the important railways and in the past 18 months

they had supplied about 14,500 yards to East India, Eastern Bengal, Oudh and Rohilkhund, Bengal and North Western, Great Indian Peninsula and the B. B. & C. I. Railways etc. That, coupled with the fact that quality for quality their product was much cheaper in price, should in their opinion establish the the claim for selection for the requirements of the Indian Railways. Moreover the Government of India in the enunciation of their policy with regard to the Indian industrialism had distinctly laid it down that as far as possible every encouragement should be given to Indian manufactures provided of course that the quality and price of the indigenous article compared favourably with those of the imported one. Inspite of all that they stated that they had not much encouragement even from the State managed railways They therefore urged the Committee to do the needful in the matter. The Committee thereupon addressed the Railway Board as well as the Chief Controller of Stores drawing their attention to the manufacture in Bombay of imitation leather cloth which was so extensively used for upholstering purposes by Railways, and requested them to give encouragement to this infant industry as much as possible.

In reply a letter was received from the Railway Board stating that the fact that imitation leather cloth was manufactured by that Company was brought to the notice of the Railway Board last year and the question of the use of that indigenous product by Indian Railways was considered. The matter was referred to all the Railway administration which had been offered and had even for the trial purposes bought the leather cloth in question, and after due consideration of the replies received the Railway Board came to the conclusion that it was desirable to make a proper trial of that leather cloth with a view to greater use in future, if shown to be satisfactory. Accordingly on 16th September last year all the important Indian railways were addressed and requested that the leather cloth in question should be given a thorough trial and a report submitted in due course to the Board. There had hardly been sufficient time for railways to make the necessary trials and report on it. As regards the question of testing the cloth, they stated that such tests could merely be preliminary to actual test under working conditions and

they could not agree that wholesale use should be made of indigenous leather cloth in question without a thorough trial for a period of at least one year.

9. Proposal to transfer certain portion of the Carnac Bridge Goods Yard to G. I. P. Railway.

The sense of the Committee was taken by Mr. Manmohandas Ramji as a member of the B. B. & C. I Railway Advisory Committee on the above proposal and it was resolved to invite the opinion of all the leading trade Associations thereon. Almost all the Associations opposed the said proposal and the same was forwarded to Mr. Manmohandas with the support of the Committee.

Afterwards a notice was received from the B. B. & C. I. Railway saying that from 1st June 1925 the outward full load section would be transferred from Carnac Bridge to Alexandra Dock station on the Port Trust Railway. No full loads would therefore be accepted at Carnac Bridge. The change of locality would in no way alter the existing system followed at Carnac Bridge. The rates from Alexandra Dock station would be same as that in force from Carnac Bridge,

The Committee having invited the views of the leading commercial associations of Bombay on this proposal were informed that almost all of them were in favour of continuing the present arrangement of receiving full wagon loads at Carnac Bridge as it was more convenient to the trading community of Bombay than the proposed Alexandra Dock station. The Committee thereupon addressed the B. B. & C. I. Ry. to the effect that their attention had been drawn by the Muccadums working on behalf of a large number of merchants to the inconvenience and hardship caused to them by the above transfer. They understood that merchants and Muccadums were so averse to the new arrangements that they would rather split up their full load consignments than take them to new full load section. If that was the case then the object for which the change was effected was not obtained. Thereafter a meeting of the representatives of the Committee and the Solicitors for the Muccadums was held at Alexandra dock station. Mr. Ball, Traffic Superintendent and Mr.

Mearns, Manager of the Bombay Port Trust Railway were also present. The representatives of the Committee putting forward the view point of the business community said that it would be inconvenient to have the full load traffic of sugar and rice diverted to the Alexandra Docks Station. It was suggested by the representatives of the Committee and other Commercial interest that the Company should try to accommodate both the full load and smalls traffic of sugar at the Alexandra Docks. It was argued on behalf of the railways that they were prepared to meet the business men half-way and to provide for necessary conveniences and arrangements. Afterwards the Committee received a letter from the General Traffic Manager B. B. & C. I Railway enclosing a copy of a letter from the Manager B. P. T. Railway to him stating that the volume of "Smalls" traffic absolutely precluded any possibility of dealing with, within the limited accommodation at Alexandra Docks. He also drew the attention of the Committee to the fact that the facilities provided for the transfer of full load at Alexandra Docks Station were lying idle. A copy of this letter has forwarded to Rice Merchants' Association, Sugar Merchants' Association and the Solicitors of Mukkadams' Association. Letters received from these Associations were to the effect that the transfer of only full load section to Alexandra Docks would be very inconvenient to Merchants. These were forwarded to the B. B. & C. I. Railway for information.

10 Railway Budget.

The Committee sent a telegram to the Government of India, Commerce Department, through their representative in the Legislative Assembly to the effect that they were very much disappointed at want of indication of reduction of rates and fares in near future because present rates weighed heavily on trade and industries particularly in present times of depression. They urged consideration of reduction of rates at the earliest opportunity. They further urged establishment of Railway Rates Tribunal without further delay. The Committee considered that Government should immediately take up question of development of inland water transport as they felt it should provide cheaper means of transport and at far lower rates than railways in many areas. They further felt it high time that an

additional Member was put on Railway Board who would give his entire time and attention to development of water transport wherever possible.

11. "To pay" system for coal consignments on Railways:

The Committe addressed the East Indian Railway and the Bengal Nagpur Railway in the middle of March last saying that they had received complaints against non-renewal of the "*TO PAY*" system of consignments in case of consignments of coal. They requested those Railways to supply them with figures as to the number of rejections by consignees of coal consignments during the 5 years preceding the withdrawal of the system showing also the loss each Railway had been put to through such rejections.

In reply the East India Railway stated that records for the period had been destroyed. The Bengal Nagpur Railway replied to the Committee's letter that it was not possible to supply the figures required. The number of rejections had of course decreased since they arranged prepayment. The Committee thereupon addressed both the Railways stating that it was consumers who were expected to make an advance payment of their freight to the collieries which meant that their money was locked up for more or less indefinite period. The Committee realised that coal was one of the commodities for which the price itself was often but a minor ingredient as compared with the freight but they could not understand why it should be deemed impossible to realise the freight due to the Railways by auctioning the consignments at current market rates. The withdrawal of the "TO PAY" system came in the way of both the trade and industries and therefore the Railways were requested to remove the withdrawal of the "TO PAY" system and introduce it again in the case of consignments of coal. In reply the E. I. Railway stated that the matter was fully investigated before any decision was arrived at and that the "TO PAY" system could not be reverted to for reasons given by Government in their reply to Mr. K. C. Neogy's question in the Legislative Assembly on the 15th March 1924 regarding compulsory prepayment of freight on coal. The B. N. Railway stated that in their previous letter it ought to have

been stated that rejections were nil since there was no booking to pay. The Committee thereupon addressed the Railway Board on this subject drawing their attention to the above correspondence and requesting them to remove the withdrawl of the "TO PAY" system. This matter was discussed by the Committee with Mr. G. G. Sim, Financial Commissioner of Railways, who drew the Committee's attention to the press report of the speech made by the Hon'ble Commerce Member to the Coal Trade in Calcutta, from which it would appear that there was every likelihood of the proposed system being dropped at all events as an experiment.

12. Non-payment of small claims by the G I. P. Railway: The attention of the Committee having been drawn by a member to the above, matter a letter was addressed to the Agent, G. I. P. Railway, pointing out that small claims arose from losses or leakage in a bag or two out of whole consignments consisting of a large number of bags. Claims under Rs. 5 were at present not paid by the Railway but the loss of Rs. 5 on a single bag might represent a loss of almost half of its contents. It was further stated, that the merchants, who had approached the Chamber said that the Railway collected all the sweepings and realised by the sale thereof a considerable amount of money every year. They contended therefore, that it would be perfectly reasonable to expect that this sum were utilised in the payment of such small claims. It was pointed out that the B. B. & C. I Railway paid small claims, and it was hoped that in view of the pressing demand from the commercial community, the G. I. P. Railway would revert to its former practice of paying such small claims. The matter was discussed in the Local Advisory Committee where it was decided that repudiation should be based on a percentage and instructions were issued that claims should be repudiated only if the weight lost was one percent or less of the total invoice weight of the entire consignment and the monetary value of such loss worked out under Rs. 10 or less. If on the other hand, the loss was over Rs. 10 or the short weight exceeded one percent of the total weight of consignment the claim would be paid irrespective of the amount involved. The President at the instance of the Committee again addressed

the G. I. P. Railway pointing out that the fixing of that limit was all the more unjustifiable in view of the fact that it was done after the protest against the original limit of Rs. 5 fixed by the company. Emphasis was also laid on the extreme desirability of reverting to the old practice which was still in vogue on the B B. & C. I. Railway.

13. Chamber's representative on the B, B & C. I. Railway Advisory Committee:

As Sir Purshottamdas Thakurdas the Chamber's representative on the Advisory Committee sent in his resignation from the said Committee, the Committee nominated Mr. B. F. Madon to take his place on the same

14 Concession to Cinema Companies:

A letter with copies of correspondence passed between the authorities of the B. B. & C. I. and G. I. P. Railways and the Passengers' and Traffic Relief Association regarding the grant of concession to Cinema Companies was received from the Joint Honorary Secretary of the Association, He requested the Committee to support his Association in making representation to Railway Conference regarding the desirability of continuing the practice of giving concessions to Cinema Companies by the Railways.

The Committee thereupon requested their representatives on the Local Advisory Committees of the G. I. P. and B. B. and C. I. Railways to take up that question and do the needful The Joint Honourary Secretary was informed accordingly.

15. Establishment of a Rates Tribunal:

Letters with copies of their representations to the Railway Board from the Ahmedabad Millowners' Association and the Agents the Sholapur Spinning and Weaving Co. Ltd were received regarding the reduction in Railway freight on long distance transport of coal and disparity in Railway rates on goods sent from Sholapur and those from great commercial and other important centres of trade to other equally well-known business centres in India respectively. The Committee were requested to take up these questions with the Railway Board and do the needful.

The Committee thereupon addressed a letter to Secretary Railway Department Government of India in which they stated that they desired to convey their very serious disappointment at the inaction of the Government in setting up a proper rates tribunal on lines recommended by the Acworth Committee, accepted by the Assembly and repeatedly pressed by the representatives of the public.

As regards the representation of the Ahmedabad Millowners' Association the Committee felt that in the present condition of the textile industry any relief in any direction which should be given to them without any undue sacrifice of public revenue was to be welcomed. They pointed out that there would not be serious loss to the Railway Companies from reduction of fright in coal over long distance, as it was likely to increase the volume of traffic.

The case of Sholapur appeared to them, they pointed out, really one which was illustrative of the blind manner in which rates had been fixed hitherto and the rule of thumb by which administration was carried on The Committee further pointed out that the present constitution of the Railway Board did not lend itself to an impartial examination of such important questions and added that that was also the opinion of the Acworth Committee and it was for that reason that that Committee specificely laid down lines for the constitution of a Rates Tribunal. The Committee enquired in view of the definite recommendation of the Acworth Committee regarding the Rates Tribunal as to who were raising objections at the present stage and where the stumbling block lay.

16. Demand of one additional wicket gate on the B. B & C. I Railway lines by some Gymkhanas:

The Committee were requested by a member to ask their representative on the Advisory Committee of the above Railway to support the demand of 4 Gymkhanas viz. the Catholic Gymkhana, the Medical College Gymkhana, the Wilson College Gymkhana and the Y. M. C. A. Gymkhana situated on the Kennedy Sea face for having an additional wicket gate on the B B. & C. I Railway lines for the convenience of their members just near them. Copies of the

correspondence that passed between those Gymkhanas and the Railway authorities were enclosed for reference. The Committee thereupon requested their representative on the Local Advisory Committee of the B. B & C. I. Railway to do the needful in the matter.

(b) Shipping.

17. Report of the Indian Mercantile Marine Committee, Action to be taken on :

A letter was received from a member of the Committee requesting them to address the Government regarding the actions to be taken on the report of the Indian Mercantile Marine Committee. The Committee accordingly addressed the Government of India stating that they deeply regretted the attitude of the Government in not taking any action upto now on the report submitted by the Marine Committee although it was nearly a year since it was submitted and felt surprised and pained that while the Government found time to consider and take action in hot haste on the recommendations of the Lee Commission where the British interests were concerned, they neglected upto very recently to forward, as they understood, even their despatch to the Secretary of State on that report which concerned vitally one of the greatest national industries. They therefore earnestly requested the Government to let them know when they proposed to take action on the said report and whether they were going to bring forward a Bill for the reservation of the coasting trade on the lines suggested in the Marine Committee's Report. They would also feel thankful if the Government would kindly let them know the opinion, if any, which they might have received from the Crown Lawyers in regard to the Coasting Bill submitted to them.

18. Notifications of the Marine Department, Government of Bombay :

The attention of the Committee was drawn to the draft notifications proposed to be issued under the Indian Merchant Shipping Act 1923, Indian Ports Act of 1908, and Inland Steam Vessels Act of 1917, dated 18th February 1925. The Committee wrote to the

Government of Bombay stating that they were greatly surprised at the increases proposed to be made under all those notifications with regard to rates payable in respect of survey for steamships, for inland steam vessels and for Padaws, Muchwas and other similar country-crafts as also increases in rates suggested for survey, for certificate of approval of the position of any load-line disc or any alteration thereof. In their opinion all these increases were unjustifiable and would bear heavily on the shipping trade of the country. All these small steam vessels, and Padaws, Muchwas etc. might be considered as nurseries of India's future mercantile marine and the Committee would be much obliged if the Government would be pleased to explain the reasons, if any, for proposing these increases in the survey fees.

In reply the Committee received a letter from the Bombay Government in which it was stated that the increased fees proposed were intended (1) to meet the cost on account of additional Engineer and ship surveyor whose need was badly felt by the shipping community, and whose appointment had been recently sanctioned, and (2) to make the Marine Survey Department in Bombay self-supporting. The question whether the proposed fees would bear heavily on the shipping in Bombay was carefully considered by the Government. None of the shipping companies had protested against the proposed increases and no objections had been received by Government except from the Indian Merchants' Chamber. The Government, therefore, enquired whether the Chamber had still any objections against the proposed increases, apart from the general objections urged in their first letter. In reply the Committe stated that after carefully going into the question, they found no justification for such enormous increases which amounted to from 100 % to 1200 % and they were unable to withdraw their opposition to the proposed increases. The Committee enquirad why Padwas, Machwas and Lighters should be so heavily taxed as compared with larger ships which could, perhaps, bear higher taxation more easily than the lighter crafts.

The Government of Bombay informed the Committee that the objections raised by them had been brought to the notice Govern-

ment of India whose orders were awaited. Afterwards notifications as sanctioned by the Government of India were received from the Bombay Government which showed that no changes were made in the proposed scale of fees.

19 Precautions against fire in Steamships:

A letter was received from the Government of Bombay, Marine Department, regarding the above, inviting the Chamber's views thereon. The Committee in reply stated that they had no views to offer on the subject.

20. The Indian Carriage of goods by Sea Bill.

The opinion of the Chamber was invited by the Government of Bombay, Revenue Department, on the above Bill which was forwarded to the Chamber along with the memorandum attached thereto. The memorandum stated that the object of the Bill was to give the force of Law to a set of rules relating to Bills of Lading which were recommended unanimously by the International Conference on Maritime Law held at Brussels in October 1923. The rules were the outcome of active discussion which had been proceeding during the last few years between representatives of shipowners, shippers, bankers and underwriters of most of the maritime countries on a matter which had been the subject of controversy for more than 20 years. They were agreed to by all the parties concerned. The question therefore was whether the rules should be adopted by India or not. There was no question of redrafting the rules. The other point upon which opinion was specially invited was in regard to the scope of Section 5 of the Bill. If these rules became Law all Bills of Lading became subject to them and unless goods had some peculiar or particular quality they must be covered by a Bill of Lading,

The Committee in reply stated that as there was no question of re-drafting the rules they were in favour of the rules being adopted by this country, though if they were at liberty of suggesting amendments they would have proposed amending Rule No. 6 of Article III which it was feared might inflict some hardship upon consignees. The Committee feared that the application of Article

VI of the Rules to the coasting trade of this Country would be seriously detrimental to it as all such receipts which be passed in lieu of Bills of Lading should be deemed non-negotiable. Therefore they suggested that Article VI should not be applied to the coasting trade and Section 5 of the Bill should be amended accordingly.

21. Application of Indian Workmen's Compensatien Act to Indian Seamen :

A letter was received from the Government of Bombay, Marine Department, drawing the Committee's attention on the proposed application of the provisions of the Indian Workmen's Compensation Act to Indian seamen and inviting the Committee's opinion thereon. It was stated that a great Majority of Indian seamen serving in ships were registered under the British Merchant Shipping Act, 1894, and in respect both of those seamen and of seamen serving in foreign ships legal difficulties stood in the way of any wider application of Workmen's Compensation Act. Since this Act was passed the Government of India in accordance with the promise given to the Legislative Assembly had been exploring in consultation with the Secretary of State the policy of extending the benefit of the Act to Indian seamen serving on British ships. The Committee in reply stated that they had no objection to Government applying the provisions of the Indian Workmen's Compensation Act, 1923, to Indian seamen as proposed.

22. Recommendations of the Deck Passenger Committee.

A letter was received from the Government of Bombay Marine Department stating that the Government of India proposed to make certain amendments in accordance with the recommendations of the Deck Passenger Committee regarding the sitting accommodation of the deck passengers in Indian passengerships and inviting the Chamber's views thereon. The Committee in reply stated that they approved of the Course proposed by the Government with regard to space allowed to be allotted to deck passenger in Indian passenger ships with the following modifications;

"That Order No 6 under the traffic notification should be modified as follows; 'that for seasons of fair weather a native passenger ship performing a short voyage which in ordinary circumtances would not exceed 72 hours between the terminal ports should contain in the upper between deck at least 9 superficial feet and 54 cubic feet of space available for each such upper between deck passsenger and in the upper deck at least 4 superficial feet available for each upper deck passenger."

In order that the between deck passengers might have the full benefit of the airing space provided for them by law on the upper deck they strongly recommended that a Notice in English and vernaculars be placed in prominent position in each upper deck indicating the total number of passengers that such upper deck was allowed to carry and that the between deck passengers were entitled to come on the upper deck for airing purposes. With reference to the Notification issued by the Government of India, Department of Commerce, under the heading "Shipping" they approved the draft amendment published therein regarding the sanitary conditions for the passengers except that they suggested under Rule 10 that instead of one sweeper, two sweepers should be provided for each 12 latrines With reference to the carriage of cattle they would strongly urge on the Government the necessity of effectual partition between passengers and the cattle carried so that not merely the space areas be separately ventilated but that necessary arrangements should be made to prevent water, etc. from the cattle area from coming into the space reserved for passengers.

23 Employment of Lascars in Northern Latitudes during winter months:

A letter was received from the Shipping Master Bombay forwarding an extract from the letter of the Government of India Department of Commerce dated the 23nd June 1925 and also the Copies of the letters of the Board of Trade of the 8th and 17th April 1925. The Committee were requested to send the views of the shipping companies concerned on the question referred to therein.

The Board of Trade in their letter of 8th April 1925 suggested that the unrestricted employment of Lascars deck crew during the winter months in the North Pacific should not be permitted north of the great circle coast ordinarily followed by full powered steamers proceeding from Shanghai, or Yakohama to Honolulu and from Honolulu to Sanfransisco. The employment of Lascars in the Baltic during the winter should also be entirely prohibited. The Board solicited the decision of the Government of India in the matter in due course The Committee in reply stated that they had no views to offer on the above question, but they hoped that no legislation would be undertaken by Government of India which would even remotely affect the lines of employment open to the Indian Lascars today

24. Life-Saving appliances on Native ships:

A letter with a copy of new rules regarding the above was received from the Government of Bombay, General Department, inviting the Chamber's opinion thereon. The Committee in reply stated that they approved of the proposed new rules but added that case should at the same time be taken that these new proposals did not add much to the burden of the travilling public

B. CURRENCY, EXCHANGE, AND FINANCE.

(a) Currency and Exchange.

25 Zanzibar Currency

A letter was received from the Indian National Association Zanzibar drawing the attention of the Committee to the proposed Conversion of the Currency of that Country from British Indian rupees into shillings and cents and asking for opinion of Indian experts on the same. The Committee in reply sent a note prepared by one of their members for the guidance of the Zanzibar Association.

26. Hundred Rupees Counterfeit Currency Notes.

Letters were received from the Bombay Shroff Association and Bombay Grain Merchants, Association regarding the hundred rupees counterfeit currency notes of Lahore and Cawnpore circles. It was stated that imitation of these notes was so perfect that one could not

easily find that they were spurious notes. Several members received such notes in payment and they only learnt that those notes were spurious ones when they were told at the time of presenting them in the banks. As a result of this many merchants had suffered. The Committee were requested to move in the matter and have the fullest explanation with regard to those notes from the Government. The Secretary of the Chamber consequently had an interview with the Deputy Controller of the Currency, who stated, that the Government were doing all that they could, in the matter and that from daily reports, he was getting from all the different Currency Circles, the number of such notes was found to be getting less and less. He did not favour the suggestion made by the Grain Merchants' Association with regard to the stamping by the Banks as he was afraid that it would lead to more trouble. He promised all co-operation and help, whenever his services were required by the Chamber.

27. Currency and Exchange policy of Government.

On the 15th May 1922 the Committee sent a telegram, to the Private Secretary to His Excellency the Viceroy drawing the attention of the Government, to the highly unsatisfactory and undesirable results of their Currency and Exchange policy, as accentuated lately. It was pointed out that despite favourable trade balances and large imports of gold, monetary stringency continued to an exasperating degree, handicapping commerce, and industries at a critical juncture. The stringency had spread into the remote corners of the country and paralysed the buying power in wholesale as well as retail trade. The Committee repeated their previous warning to government, that the present policy of keeping on Statute a dead and ineffective ratio was bearing its worst fruits making the position daily more serious. The telegram was followed by a letter to the Government of India, Finance Department, in which the Committee referred to the decision of the Government of the United Kingdom immediately to revert to the gold standard to which they reverted on the 28th April last. It was pointed out that on account of the action taken by England, the world Currency and Exchange position had considerably altered, and in view of the heavy depression of trade and industries in this country the Committee urged more immediate steps to put Indian Curren-

cy and Exchange position on a sound footing. After briefly tracing the history of the Currency policy since 1920 the Committee referred to the resolution of Mr. Raju adopted by the Indian Legislative Assembly suggesting the appointment of a Committee with an Indian Chairman and an Indian majority. The Committee desired to see on this Committee representative Indians who would command the confidence of non-official India on economic matters. It was further stated, that if the past two Commissions *viz*, the Chamberlain Commission and the Babington Smith Currency Committee were to be taken as models, the committee with all humility urged on Government not to appoint a Committee at all. The Committee finally urged upon Government immediate action without waiting for the proposed Committee by restoring the relation of the Rupee to gold as it stood in the pre-war period and thus to establish an automatic system of currency based entirely on gold followed, as early as possible, by a gold mint and gold currency in circulation. The Committee agreed that there were numerous other matters connected with Currency and Exchange of which a close examination by a competent Committee would be of real advantage.

26. Exchange and Currency.

(1) Royal Currency Commission :—

The Committee sent a telegram to the Private Secretary to H. E. the Viceroy to the effect that they emphatically protested against the personnel of the Royal Currency Commission as being opposed to the earnest representations of the Chamber and the expressed wishes of the country as embodied in the resolution of the Assembly on that subject which asked for an Indian Chairman and Indian majority. They were strongly of opinion that the Commission in no sense represented the Indian interests in a manner and to the extent acceptable to the people and felt that the enquiry would not command public confidence.

(2) Adjournment Motion in the Assembly, regarding the Currency Commission.

Another telegram was sent by the the Committee to the Government of India, Finance Department, stating that they fully endorsed the adjourment motion of the Assembly regarding the Currency Commission and urged Government to add three Independent members acceptable to Indian public opinion who, they felt confident could be secured. Unless Commission's constitution was so altered and improved the Committee felt that it would fail to command the public confidence or co-operation.

29. Royal Commission on Indian Currency.

A letter with terms of reference, and another letter with questionnaire were received from the Joint Secretary to the Royal Commission on Indian Currency inviting the views of the Chamber on the same.

The Committee in an exhaustive memorandum expressed their views on the points raised in the questionnaire. The same will be found in the relevant appendix. The Committee nominated Mr. B. F. Madon, Vice-President and Mr. Lalji Naranji as representatives of the Chamber for purposes of oral evidence.

30. Amendment of Indian Paper Currency Act:

The Committee sent a telegram to the Government of India, Finance Department, regarding the amendment of the Indian Paper Currency Act, entering an emphatic protest against the method adopted by Government for relieving currency scarcity through proposed amendment of the Paper Currency Act, as it was undesirable and leading to further issues of currency against Paper Securities instead of against full backing of gold which was the only sound method. They emphasised the necessity for additional currency during period of stringency and suggested to Government to take out larger powers for emergency issues by loans to Imperial Bank against trade bills.

31. Indian Budget, 1925-26.

The Committee sent a telegram through their representative in the Legislative Assembly to the Government of India, Finance Department, to the following effect:

That they took strong exception to absolute ignoring of claim for remission of excise duty and regarded it as insult to nation in view of the resolution passed by the Assembly last September and in view of the frequent promises made in past for consideration of excise claim at earliet favourable opportunity. Proposed utilisation of surplus, they stated, was highly objectionable in view of utterly ignoring of claim of Bombay contribution for reduction particularly as Bengal again excused notwithstanding surplus shown in Bengal Budget after making provision for payment of their contributions. They repeated their emphatic protest against very basis of Meston Settlement which from the beginning had penalised Bombay taking its most productive sources of revenue for use of Central Government. Proposed use of surplus denying any relief to Bombay added insult to injury. They considered loans and advances to Persian Government as entirely in Imperial interests and therefore should be charged to British revenues independently of any negotiations with Persia. They strongly protested against above advances as well as discount charges on 1923 loans being wiped off at one stroke from last year's revenues when money urgently required in many nation building directions. They considered remarks about exchange entirely fallacious because Indian producer was not in a position to force foreign buyer to pay such increases in sterling prices as might be necessitated by higher exchange. On the contrary producer was compelled to accept such competitive prices as foreign buyer could give and hence arose great injustice to cultivator which compelled him to convert his sterling proceeds into fewer rupees. Adoption of 18 d. rate led the Committee to apprehend that further manipulation of exchange would be continued in order to maintain 18d. as minimum.

82. The Bombay Budget

On the 26th February last the Committee addressed the Government of Bombay, Finance Department, protesting against the proposed increases in the Stamp Duty and against the Loan policy of the Government of Bombay. They also suggested to the Government of Bombay to effect retrenchment in their expenditure. In reply the Government of Bombay pointed out that the statement of

debts of the Bombay Presidency quoted by the Committee which put the debt on 31st March 1925 at 42·5 crores of rupees was misleading as it included the loans passed on to the local bodies of Bombay for development purposes. This letter was recorded.

33. Suggestion of the Chamber's representative in the Legislative Assembly re-stores held by various Government Department: And statement showing items in dispute either for credit or debit of the Government of India.

The Committee drew the attention of the Government of India, Finance Department, to the suggestion put forward by their representative in the Legislative Assembly in the course of discussion of the Budget of the 3rd March 1925 at to the stores held in the various Departments of the Government of India. They felt that it was necessary to show the amount of stores held by Departments both at book value and the approximate market value on the date of making up of the statement so that it could be readily seen whether there was any depreciation in the value of the stores so held and the Government and the Assembly would then be in a position to say whether it was desirable to provide for any part of such depreciation in the budget for the ensuing year. If that system was adopted, Government would not be faced with such big losses on the value of such stores held as the two or three crores reported last year in the Railway Department. They further felt that the adoption of the above suggestion was very necessary to a correct statment of the country's accounts and to sound budgetting and they would be glad to know whether the Government had proposed to issue instructions to the various Departments for the submission of statement for stores held on the above lines.

They also wished to draw their attention to another suggestion put forward by their representative in the same speech. That suggestion was, that when the Budget was presented to the Assembly there should also be submitted to it a statement showing items in dispute either for credit or debit and also items in which claim was made against the Government or was made by the Government of India and which were then awaiting settlement. They felt that

settlements on those lines were absolutely necessary if the Assembly was to have a correct appreciation of the country's financial position and they trusted that such statements would be attached to the Budget for the coming financial year.

34. Allocation of discounts and expenses on Port Trust Capital loans:

A letter with a copy of a letter from the Calcutta Port Commissioners to Government of Bengal and a copy of a letter from the Bombay Port Trust to the Government of Bombay regarding the the above matter was received from the Secretary, Bombay Port Trust. It was stated therein that it was the custom of the Calcutta Port Trust and the local Port Trust to charge stamp duty and other incidental charges of raising loans to capital. The Government of India now contended that the expenses of raising loans should be charged to Revenue either in full during the year in which the loan was issued or alternately spread over a short term of years as a charge against Revenue. The practice hitherto followed by both the Port Trusts was correct in principle identicle with that followed by similar public bodies in the United Kingdom, consistent with the declared policy of the Government of India in another connection and supported by professional opinion of the highest standing. It was further pointed out that the procedure suggested by the Government of India would throw a serious additional burden on the revenues of the Port Trust especially in the event of heavy Capital borrowings being necessary in future years. It was quite possible that this burden might necessitate an increase in charges on trade. It was therefore obviously equitable that such expenses should be charged to capital and distributed evenly over the whole period of the currency of the loan. The Committee were requested to support the representation made by the Port Trust to Government.

The Committee thereupon wrote a letter to the Government of Bombay stating that they had carefully considered the question and were definitely of opinion that the practice heretofore followed by the Port Trust was perfectly sound and that the change now proposed to be made by the Government of India was highly undesirable;

They believed that the procedure advocated by the Government of India based on the analogy of treatment of similar items in Commercial concerns where it was considered sound to write off all such items out of revenue as rapidly as possible, but they were afraid the Government of India had failed to understand the principle on which such writing off was based and to see that what was right in the case of such Commercial concerns was quite worng in the case of Government or Semi-Goverment accounts. The Committee further pointed out that such writing off on the part of Government really meant diversion of part of the taxation levied from the public from the current legitimate revenue expenditure to the building up of Capital. They in conclusion strongly supported the contention of the Port Trust authorities and requested the Government of Bombay to take up the matter with the Government of India and to point out to them the soundness of the old practice.

35 Currency Notes Refnnd Rules:

A letter with a resolution of the Finance Department, Government of India, regarding the omendments in the Currency Notes Refund Rules 1921 was received from the Government of India inviting the Chamber's opinion thereon, Briefly stated the object of the proposed amendments is to discourage the cutting of Notes and the reasons for putting them forward are also explained in the rules. The matter is still under the consideration of the Committee.

(C). Government Stores Purchase Policy.

36. Stores Purchase.

The Committee received copies of the half yearly statements of cases in which the lowest tender had not been accepted by the India Store Department London. They wrote to the Government of India Department of Industries and Labour, that they were surprised to find that some of those tenders were referred to the intending officers who selected the higher priced tender, With regard to papers the indenting officer seemed to have insisted upon Messrs. Dickinsons' papers, though there was no plausible reason why such an emphasis should be made upon papers manufactured by that parti-

cular firm. Rejections of the lowest tender for £4700 (British) in favour of higher tender of £7,C00 approximately (United States) for the purchase of draglin excavators was a glaring instance of the practice of referring indents back to indenting officers. There was no satisfactory reason advanced as to why a tender costing nearly double the taxpayer's money should be accepted by the indenting officer. They felt that the practice of referring tenders to indenting officers was calculated to take away some of the responsibility from the High Commissioner and to substitute no one who could be held accountable to the Legislative Assembly They were obliged to make those remarks as a bare reference of tenders to the indenting officers was held to be a sufficient and good reason for the acceptance of tenders though they might not be the lowest. They would be much obliged if the Government would be pleased to inform them if the practice of referring tenders to the indenting officers had been set up only recently or had been in vogue for a long time and also if the Government would be pleased to state the reasons, if any, for setting up such a practice and for its continuing any longer looking to the abuses to which it might easily be exposed.

37. Rupee Tenders

In the first week of May, the Committee addressed a letter to the Government of India, Department of Industries and Labour, expressing their regret that Government had not found it possible to take action on the resolution of the Assembly, passed unanimously, pressing on Government to adopt the system of Rupee Tenders for delivery in India for all articles of Government requirements. The reform indicated in that resolution had the support of Indian as well as the British commercial communities and it was likely to reflect directly and indirectly on the well-being of this country as well as on the finances of Government. The Committee forwarded a Note including the advantages of the adoption of the system of Rupee Tenders, and hoped, the Government would find it convenient to to give effect to this policy, without any further delay.

38. Tenders for Coal for the Lloyd Barrage and Canal Construction.

The attention of the Committee having been drawn, to the ad-

vertisement, inviting fresh tenders for coal for the Lloyd Barrage and Canal construction, they addressed a letter to the Government of Bombay, General Department, stating that when the subject was discussed last in the Bombay Legislative Council, the Hon'ble the General Member had given an assurance to buy Bengal coal, even at a little loss if the collieries gave guarantee of quality and delivery. The conditions as mentioned in the tenders imposed a special handicap on the Indian industries to the advantage of foreign coal by

(1) calling for quotations for Karachi, and

(2) calling for quotations ex-stock.

The Committee pointed out that the freight from Jharria to Sukkur would be Rs. 16/- and for Karachi Rs. 16/15. Therefore if an Indian colliery wanted to quote, it would have to tender at Rs 22 for Sukkur and 23 for Karachi or thereabouts. These were the rates for rail borne coal from collieries, but if coal had to be landed at Karachi by sea, stocked there and railed to Sukkur as required, the C. I. F. price had to be increased as much as Rs. 6 which was the railway freight from Karachi to Sukkur. On the other hand the Railway freight between Karachi and Sukkur being Rs. 6 per ton, importers of overseas coal would have to quote Rs. 20 for Karachi and 26 for Sukkur. It would therefore be seen that although at Sukkur Indian coal could be laid down for cheaper, at Karachi it looked dearer and Government would thereby be misled into thinking that the officer concerned had accepted the most favourable tender only. The Committee pointed out that the coal must be needed at or near Sukkur where the Barrage was actually being built and the calling of tenders for Karachi delivery really amounted to a bounty of Rs. 6 to importers of foreign coal. The Committee also pointed out that the calling of tenders of f. o. r. destination instead of f. o. r. colliery also acted very unfairly upon Indian collieries. The Committee therefore urged, that the terms of tenders should be modified as follows:

(1) Quotations should be for Sukkur, not Karachi;

(2) Indian collieries who tender could at their option tender either f. o. r. colliery or f. o. r. Sukkur.

The above suggestions did not involve any sacrifice of quality or price and the Committee therefore felt confident that the Government would see no difficulty in adopting the above suggestions and thus fulfilling the undertaking the Hon'ble General Member had publicly given on behalf of the Government.

In reply a letter was received from the Government of Bombay Public Works, Irrigation and Railways. Department, stating that almost the whole of the Government Machinery located at Sukkur was to be run on oil fuel and hardly any coal was required there at all. Further the coal was not required at any one place. It was supplied from a series of changing points of delivery to a fleet of mechanical excavators which were continuously moving along the canal alignments and the supplies were required in small quantities at one time at a large number of stations which were subject to change as progress took place. Sukkur could not be used as a distributing centre as there were not the facilities for stocking and landing coal supplies and the ready means of obtaining transport at a moment's notice. Karachi enjoyed those advantages in a prominent degree. It had therefore been selected as the most convenient site for stocking the coal. With regard to the Committee's suggestion regarding acceptance of tenders on F. O. R. colliery basis, Government observed that the main draw-backs attendant on that system were uncertainty of delivery and shortage of coal. Moreover that arrangement necessitated a check of the quality and quantities of coal at pit's head by Government agency. On the other hand, the supply of coal f. o. r. Karachi was decidedly advantageous to them because under that arrangement, payment could be made on the weight of coal actually loaded into the wagons for Karachi, the weight being that appearing in the weighment bill of the Railway Company from whose siding the coal had been despatched. Thus the loss and wastage in transit to Karachi, and while stocked there, the risk and cost of storage and handling and interest on capital, etc, were entirely the liability of the suppliers. Under these circumstances, Government were of opinion that any relaxation of the condition which required the supply of coal for f. o. r. Karachi basis would conduce neither to efficiency nor economy. They therefore regretted that it

was not possible to comply with the Committee's suggestion. In reply the Committee stated that Government had not realised and appreciated the importance and significance of their contention. The Government's letter had not convinced them as to Karachi being the most suitable place for laying by stores of coal for use in connection with the Sukkur Barrage. They further stated that Sukkur was at a distance of about 196 miles from Karachi and Committee would like to know as to what distance from Karachi all those stations were situated or were likely to be situated as also the distance from Karachi where those excavators were operating. If the field of operation of those excavators was nearer Sukkur than Karachi, their original contention was fully justified. If those excavators had to work near Sukkur, or on the part of the river on the other side of Sukkur which would still be further away from Karachi, there would be no meaning in having stocks of coal at Karachi. If the points of consumption were, as they presumed, within a radius of 20 to 25 miles from Sukkur, it meant that Government had to pay Rs. 6 per ton for haulage of coal from Karachi that they need not have paid, if the delivery point had been Sukkur. It was to this extent that the Indian coal was needlessly handicapped and the foreign coal subsidised by buying for delivery at Karachi. The saving that Government would make of Rs. 6 per ton as above would be far in excess of any saving of interest As for storage the Committee were unable to understand why it should be impossible with the enormous extent of the work going on at Sukkur, to provide for the necessary storage facilities along the Railway lines near Sukkur for the comparatively small amount of coal that would be required for say 2 months ahead, because if Indian coal was brought the supplies could be kept moving regularly and any large stock would be quite unnecessary. The Committee noted that the main objections to purchase f. o. r. colliery, were uncertainty of delivery and shortage of coal. They were of opinion that if coal was bought from first class Indian collieries the suppliers would be prepared to guarantee delivery and quantity. However even that objection did not hold for purchase made for Sukkur because then, payment would be for quantities delivered. The Committee therefore, respectfully

urged once more that future tenders be called for delivery at Sukkur, weight guaranteed, in order to enable the Indian collieries to secure the business to which their comparative proximity to Sukkur entitled them to the extent of the haulage from Karachi to Sukkur. In an enterprise like the Barrage, in which many crores of Indian capital were to be sunk it should not be considered extraordinary to ask that the Indian product should get preferential treatment but what the Committee now asked was not any preference but merely terms which would ensure a fair-play to the Indian product and they therefore hoped that tenders for the Barrage would in future be called for delivery at Sukkur, when alone could the Indian product be said to have such fair-play. In reply a letter was received from the Government of Bombay Public Work Department to the effect that Karachi was the most convenient site for a coal depot so far as their requirements were concerned which they must insist on having there.

39. Tenders for Stores and contracts works by public bodies.

At the request of a member of the Committee letters were addressed to the Chief Justice Bombay High Court, Bombay Municipal Corporation, Improvement Trust, Development Department, Port Trust, Chief Presidency Magistrate, Commissioner of Police, Official Assignee, Official Receiver, Administrator General, and the Commissioner of the High Court, drawing their attention to the fact that the policy of inviting competitive tenders whenever any contract had to be entered into for stores or services was now followed practically in all cases by several Departments and public bodies. The Committee were informed that such a policy was not followed by Public bodies and the Departments concerned in the matter of appointment of acutioneers, purchase of Stores, etc. There might be strong reasons of which they might not be aware for following that procedure but they were of opinion that in public interest such practice should cease and be replaced by that of inviting tenders which would be eliminating any possibility of public interest not being looked after. They trusted that they would see their way to

adopt this suggestion. Replies received from these bodies and departments were generally to the effect that they were not in favour of changing the practice hitherto followed by them.

40. Time of Delivery in Public Tenders :

A letter was received from a member of the Committee drawing the attention of the Committee to the practice of not advertising the date of delivery in asking for tenders by some public bodies. The Committee were requested to do the needful in the matter. Thereupon the Committee addressed the Bombay Municipal Corporation and the Bombay Port Trust drawing their attention to the above practice. They added that it was considered that such a procedure was faulty and liable to abuse where the officer dealing with tenders wished to favour a particular party. The Standing Committee of Bombay Municipality, and Board of Trustees were requested to discontinue such a practice because it was not in the public interest. In reply the Bombay Port Trust stated that the point referred to had recently received the Chairman's attention and necessary orders had been issued for the guidance of the Port Trust Departments. The Bombay Municipal Corporation stated that the letter was forwarded to the Municipal Commissioner for necessary action.

(D) Tariffs and Taxation :—

41. Bill to further amend the Indian Tariff Act, 1894.

The representative of the Chamber in the Legislative Assembly invited the Committee's opinion on the above bill. In reply the Committee stated that they had considered the Bill and were strongly opposed to substituting specific duties on sugar and cigarates on grounds and reasons emphasised in his speech on the Bill when it was referred to a Select Committee. With regard to Silk Mixtures the Committee were opposed to the suggested intermediate rate of import duty viz. 20 percent being imposed on them. Such a levy of a lower duty on silk mixture was opposed by the committee on the ground of protection to indigenous industry which would be affected by the duty on silk goods being reduced to 20 percent in case of silk mixtures.

42. Suggestion of increased import duty on match making timber :

A letter was received from a member of the Chamber making the above suggestion and stating that it was an undisputed fact that India was rich in forests where several kinds of trees including those suitable for match manufacturing abounded. When there were raw materials in the country, he failed to understand why wood should be allowed to be imported from abroad. That practice could not but prove disadvantageous to the indigenous industry. Indian match wood he said had a natural growth in the forests and no special attention was given by the Forest Authorities to either its growth or maintenance. The Indian match wood was not therefore as the foreign match wood in point of quality suitable for match making That meant that greater quantity of native wood was used to produce the same quantity of matches than foreign wood. If the foreign match wood were allowed freely to be imported into India the native match wood would be neglected and no attention would be given by the Forest Authorities to improve its quality by making special plantations and paying proper attention to its growth. Again the factories using Indian wood got no protection as the consumers of foreign wood had to pay only 15 per cent. *ad-valorem* duty and would thus easily compete with factories using indigenous materials. In conclusion it was stated that the import of foreign logs of wood for the manufacture of matches was harmful to the progress of indigenous industry and affected also the public revenues. It must therefore be subjected to a very high taxation in order that the Indian industry using Indian wood may be assured of its existence. The Committe were therefore requested to do the needful in the matter. The Committee after carefully considering the arguments advanced by the member came to the conclusion that no increase in import duty on foreign match making wood was desirable under the present circumstances as such an increase would seriously affect the factories using imported match wood, specially as such wood was not available to a satisfactory extent locally.

43. Stamp Duty on Proxies for use at Creditors' Meetings :

A letter was received from the Government of Bombay Reve-

nue Department, forwarding copies of a letter from the Government of India, Finance Department, and from the Government of Bengal to the Government of India on the above subject and requesting the Chamber to express their views thereon. The letter from the Government of Bengal stated that the Governor-in-Council supported the proposal of the Bengal Chamber for amending the Indian Stamp Act to levy a stamp duty of two annas on proxies for use at creditors' meetings instead of a duty of Rs. 1/8 as at present. The Committee in reply supported the proposal of the Bengal Chamber of Commerce. Afterwards a circular letter was received from the Finance Department of Government of India to the effect that the Government of India had decided to propose an amendment of the Indian Stamp Act 1899 (II of 1899) so as to bring proxies used at Creditors' Meetings within the Scope of Article 52 of Schedule 1 of the Act. As however the same could not be taken up before winter session of Imperial Legislature, they had been pleased to issue a notification reducing the duty on the proxies referred to, to one anna for the present

44. Proposed amendment of Section 57 (2) of the Indian Income Tax Act:

The Government of India, Finance Department, invited the opinion of the Chamber on the desirability of amending the above section. It was stated in the Government letter that the Section was intended to enable supertax to be collected by deduction at source from dividends payable to a non-resident shareholder. It had been found however that owing to technical defects in the drafting of this section the letter as it stood was of no practical use whatsoever. The Government therefore proposed to amend the section so as to make it effective. In order, as far as possible to avoid anomalies and place the non-resident shareholder in the same position in respect of supertax as any one else, it had been suggested, firstly, that where the Income tax Officer was aware that the total income from all sources of a non-resident shareholder was such as to render him liable to supertax he should communicate to the principal officer of the company in which he held shares the amount of supertax that should be deducted from each dividend and the principal officer should then be bound to deduct

supertax accordingly, and secondly, where the same person was the principal officer of two or more companies it should be incumbent upon him to deduct supertax from the dividends due to a person holding shares in two or more companies at the rate applicable to the aggregate of the dividends in the absence of any communication from the Income-tax Officer as to the amount of supertax to be deducted. These suggestions were only tentative and required to be worked out in detail and the opinion of the Chamber was invited thereon. The Committee in reply stated that while they had no objection to sub-section (1) they could not think that the carrying out of the suggestions would remove any of the anomalies referred to in the Government letter. The Committee therefore requested to be enlightened on the following points:

(1) Supposing the principal officer of the company paid the dividends to a non-resident shareholder before intimation was received from the Income-tax Officer, would he be liable in that case?

(2) Supposing a non-resident shareholder has incurred losses in British India which is to the knowledge of the principal officer of the company, is he bound to disclose this on his behalf and get reduction of the tax?

(3) Is the supertax proposed to be levied on the dividends which the company paid during the previous year or during the year when it had been called upon by the Income tax Officer to pay the tax?

(4) Is it proposed to make the company an agent of the non-resident in this case?

The Committee were not in favour of the second suggestion as in their opinion the labour and additional responsibilities which it would entail on the principal officer of several companies would not be justified by the results.

45 Municipal Terminal Tax and the Bombay Port Trust:

A letter was received from the Bombay Port Trust with regard to the proposed Municipal Terminal Tax. A copy of the proceedings at

a meeting of the Trustee's Finance and Marine Sub-Committee held on 8th April 1923 was also enclosed with the letter. The Committee were requested to reconsider the matter before finally assenting to the proposed taxation. It was pointed out, that the proposed Schedule if applied in its entirety to the export trade of Bombay, would give the Municipality a return equal to an increase of 35 percent on the existing Port Trust wharfage charges. It was emphasised that the interests of the mercantile community, and of the public bodies concerned were identical with the interests of the Port Trust in this matter. If trade were driven away by injudicious taxation, and suffered in consequence, the prosperity of the city must also inevitably suffer. It was further stated, that the matter would come before the Trustees for further consideration at their Board meeting, and the Committee were requested to let them know whether they were prepared to reconsider the proposed taxation. The Committee were also requested to allow the Chamber's representatives on the Port Trust to express their individual opinion on the proposals. In reply the Committee stated, that as they had accepted the principle of Terminal Tax, they could not go back upon it. They however, assured the Port Trust that they were as much concerned in the growth and development of the port of Bombay, as the Port Trust and would not like to see the trade of the port, being deflected to any other port. They would therefore fight against any measures, which were likely to lead to such diversion of trade and see, that the terminal tax which the Bombay Municipal Corporation proposed to levy, did not result in the Municipal Corporation getting in more revenue, from this source than what they were doing from the Town duties. The Committee finally regretted, that they could not see their way to recommend to their representatives on the Port Trust Board, to express their individual opinion.

46. Terminal Tax: (Vide Report for year 1923 pages 231 to 237 and Report for year 1924 p. 269)

With reference to correspondence ending on the 16th April 1923, the Committee wrote a letter to the Bombay Municipality deeply regretting that they had not been favoured with a copy of the

report of the Municipal Committee. They further stated that in fact they only came to know of the preparation of such a report only through the paper and through their representative a shortwhile back. This report of the Sources of Income Committee of the Corporation regarding proposal for substituting a non-refundable Terminal Tax for the existing Town Duties was very important and affected the interests of trade and industries to a very large extent. The Committee, therefore, urged that no action should be taken by the Corporation before they were allowed an opportunity of considering this report and in the mean while they would be much obliged for a copy of the said report. In reply the Municipal Secretary forwarded a copy of the report requesting the Chamber's views thereon. The Committee in reply stated that they had considered the report of the Municipal Committee and were in agreement with the principle laid down by the Government of India referred to in the letter of the Corporation No. T. D. 230 A, dated the 15th October 1924, that any Terminal Tax which was not refundable must be very light. They, therefore, suggested that the Terminal Tax must be fixed at 1/4 per cent on the current prices of all the different commodities referred to in the Schedule attached to the report of the Municipal Committee. The Committee gave certain articles as an instance in point on which the Terminal Tax, according to their suggestion, would be as follows:

Coal : One anna per ton.

The suggested tax of 4 annas per ton was found by the industries concerned to be too high and one anna per ton represented ¼% on the present price of coal.

Gunnies : 10 annas per bale and 2 annas per package. The rail rate came almost to the same.

Fuel Oil : 3 annas per ton.

Petrol : 6 annas per 100 gallons.

Cement : 2 annas per ton.

Sugar : Nine pies per Cwt.

The Committee further stated that the price of cement was at present between Rs. 40 and 45 and two annas per ton as being ¼ per cent would be a fair taxation. With regard to sugar, nine pies per Cwt. was the rate originally proposed in the Schedule accompanying the letter of the Municipal Commissioner, No. M. C. 31-A, dated the 18th December 1923 and the Committee had approved of the same. They could not understand why that rate of nine pies was afterwards raised to 18 pies per cwt. which would be considered a heavy tax. They, therefore, hoped that their main suggestion would be accepted by the Municipal Corporation, *viz.*, that the Terminal Tax should be one-fourth per cent of prices current of the different articles and that the rate of taxation suggested with regard to some of the articles aforementioned would in any case be accepted in the interests of trade and industries. The Committee further wrote a letter to the Corporation saying that the tax suggested by them should be construed as ¼% only and not more than that in any case.

47. Increased import duty on Cotton piece-goods in Iraq :

A letter was received from the Director General of Commercial Intelligence, Calcutta, forwarding a copy of Iraq Custom Tariff Valuations relating to cotton piece-goods. The Committee sent a representation to the Government of India, Department of Commerce, on the subject stating that the effect of the recent Tariff Valuations in Iraq relating to cotton piece-goods would be to penalise Indian piece goods exported to that country as against finer piece-goods coming from other countries including the United Kingdom. They further stated that a duty of Rs. 5/2 per kilogramme would be charged for grey piece-goods the weight of which per square yard was under 21 grammes and that a duty of Rs. 2/3 would be charged on the same kind of goods the weight of which per square yard was 235 grammes or over. At first sight, the Committee added, it might appear as if the duty in the former case were heavier than in the latter case but as a matter of fact the duty in the latter case that is in the heavier variety of piece-goods was much higher than in the case of lighter variety of piece goods. When the weight per square yard was 21 grammes a kilogramme of Grey (Unbleached)

cloth would mean about 50 yards while a kilo of cloth the weight of which per square yard was 235 and over would be but 4½ yards. It would be thus seen that under the new duties Rs. 2/8 would be charged on only 4½ yards of heavier variety of piece-goods as against Rs. 5-2 for 50 yards for lighter variety of piece-goods It obviously meant discrimination against Indian piece-goods which were generally of a heavier variety and preference to other foreign piece-goods which were generally of a lighter variety. The export of Indian piece-goods to East Africa generally was similarly penalised sometime back and an attempt was now made to penalise these piece-goods in Iraq. The Committee felt that Indian piece-goods would be penalised if those duties were allowed to continue. They therefore, strongly protested against these changes in the Customs Tariffs in Iraq and requested the Government of India to be pleased to move His Majesty's Government to get cancelled these new changes as they would be a great blow to the cotton piece-goods industry of this country.

In reply a letter was received from the Director General of Commercial Intelligence and Statistics who pointed out that the duty leviable would not be the values which were quoted through out the letter but would be 15 per cent, of those values. He was trying to collect full information regarding the classes of Indian and other piece-goods mostly imported into Iraq, but he had found great difficulty in collecting such information at all complete. The information he had received did not indicate that the valuations prescribed favoured the goods of other countries unduly relatively to Indian piece-goods except perhaps in the case of goods dyed in the piece. The evidence which he had been able to collect was not sufficient for the formation of a conclusive judgment but it did not seem to support the statements made in the Committee's letter. It was further stated that the Chamber would not have reached the conclusions lightly and he desired to know the detailed calculations upon which the Chamber's conclusions had been based.

In reply the Committee regretted that the observations in their previous letter were due to a pure misunderstanding. The

Committee, however, pointed out that their original contention that the new tariff valuations fixed by the Government of Iraq meant discrimination against Indian piece-goods still held good, for on a piece of cloth weighing 20 grammes per sq. yd. the duty would work out at about 12 annas on a piece of 50 yds. the duty on each yard being less than 3 pies, while on the other hand, on a piece of cloth weighing 235 grammes per sq, yd., the duty would work out at 6 annas on 4 yds. *i.e.*, 16 pies per yard. There was therefore good justification for Government to take action in this matter.

48. Reduction of postal rates:

A letter was received from a member of the Chamber drawing attention to the fact that there was a slump in printing trade and that this in its turn affected the manufacturing industry of printing types. On trying to ascertain the reasons for this one fact that prominently came out was the higher postal rates which hampered both the trades to a great extent. If, therefore, the Government were to reduce the postage rates it would directly give the impetus both to the printing trade and type manufacture besides reducing the unemployment. The Committee were requested to take necessary action in the matter. The Committee resolved to forward this letter to their representative on the Legislative Assembly for necessary action.

49. Refund of Customs duty on stolen goods :

The attention of the Committee was drawn by a member firm to a case, in which the Customs Department regretted their inability, to entertain their claim for refund of Customs duty on the missing contents of one case of cotton striped popplins on the ground that the survey was not held under Customs' supervision before the payment of Customs duty. The Committee thereupon addressed the Collector of Customs, Bombay, stating that many merchants might be unaware that in order to entitle them to a refund of Customs Duty on missing goods the survey must be held under Customs' supervision before the payment of Customs Duty. They therefore thought it desirable, that wide publicity should be given to the rule and requested the Collector of Customs to do so,

In this connection a letter was received from the Collector of Customs informing the Committee that a notice was issued to the effect that when a claim for remission of duty on lost and short contents of a package was made by an importer solely on the strength of a survey granted by the Agents the survey could not be accepted by the Customs House for proposed abatement of duty unless it had been held in the presence of a Preventive Officer of the Customs Department and the result of the survey noted by such officer on the reverse of the Bill of entry. This notice was circulated among the members of the Chamber for information.

50. Import duty on artificial gold and silver thread (Vide: Chambers report for 1924, appendix 42).

In this connection the Committee addressed a letter to the Government of India, Department of Commerce, drawing their attention to their letter No. T. 976 dated 8th August 1924 in which they requested the Government to be pleased to raise the import duty on artificial gold and silver thread to 30 per cent from the present rate of 15 per cent for reasons stated in that letter. In view of the present unsatisfactory position of that industry they begged to reiterate that suggestion and trusted that the Government of India would be pleased to adopt it. The Government of India in reply stated that they regretted that it was not possible to give further reply in anticipation of the budget.

51 Increased import duty on Sugar and Tea in Persia.

A telegram was received from the Buyers and Shippers' Chamber, Karachi, regarding the increased duty on sugar and tea imported into Persia from Indian ports and requesting the Committee to take necessary action in the matter. The Committee in reply stated that their Secretary had been to see the Persian Consul, Bombay, in connection with that matter, who informed him that the Government of Persia had exempted from fresh duties whatever sugar leaves or tea passed from Customs upto 12th June and that the fresh duties would be charged after that date. The Buyers and Shippers' Chamber in reply stated that the exemption from fresh duties extended to goods that passed Customs on and before 12th May and

not 12th June as intimated by the Persian Consul, Bombay. They therefore requested the Committee to ascertain whether 12th May or 12th June was the correct date. The Committee thereupon addressed the Persian Consul General, Bombay, stating that they were informed that only such goods which had been taken delivery of from the Persian Customs upto 12th May were to be exempted from the new law according to the information received from the Persian Consul General, Darjeeling, and they would therefore feel obliged if he would kindly let them know which of the two dates 12th June or 12th May was correct. In reply the Committee were informed that 12th May was the correct date. The Committee thereupon addressed the Persian Consul General, Bombay, drawing his attention to the fact that in almost all great trading countries whenever any sudden changes were to be made in tariffs of such a far-reaching character the usual practice was to exempt all such articles as were already on their way to those countries from the operation of such changes in the tariffs. The Committee requested him to be good enough to draw the attention of the Imperial Government of Persia to that practice and hoped that the Persian Government would still be pleased to adopt the same practice as all important trading countries, and to order that all sugar and tea which had already left their places of origin on the date on which the new law came into force, might be exempted from the operation of the new Act as otherwise, very serious hardships would be inflicted on quite innocent parties which, they were sure, could not be the intention of the Imperial Government of Persia.

52. Public Protest against the Excise Duty.

A letter was received from the Secretary, Bombay Provincial Congress Committee requesting the Committee to join them in holding a public meeting to protest against the Excise Duty. The Committee in reply informed him that the whole of the Bombay Presidency including the Bombay Government had expressed their views strongly protesting against the Cotton Excise Duty and it would not be worth the while now to have any public meeting under the circumstances.

53. Cotton Excise Duty:

The Committee addressed a letter to the Government of India, Department of Commerce, drawing their attention to the position of the textile industry in India which had been consistently on the decline for the last three years. The most outstanding reminder of that fact was given in March 1924 when a resolution was tabled in the Assembly asking for the repeal of the Excise Duty. That resolution was pressed forward again in September 1924 and passed by an overwhelming majority by the Assembly. Important discussions with millowners were held during the visits of the Hon'ble Sir Basil Blackett and the Hon'ble Mr. D. T. Chadwick to Bombay. They regretted to say that the response by both those officials to the earnest representations of the industry which employed the largest number of men in the country engaged in industrial occupation, was disappointing and even provoking. They desired in the first instance to draw the Government's attention to the fact that the textile industry of India did not affect as was popularly believed, a few apparently rich magnates rolling in wealth. It affected directly hundreds of thousands of working men employed in the factories, and also thousands of shareholders and investors most of whom belonged to the middle classes whose sources of income and employment had now been curtailed very considerably. One of the factors affecting and leading to the present position of the textile industry was the high exchange prevailing at present. That exchange had, in their opinion, deliberately worked upto about from 1*s.* 3½*d.* gold 12 months ago to 1*s.* 6*d.* by the Government policy of manipulating currency and exchange. A high exchange certainly gave very considerable advantage to India's competitors even from countries now on a gold standard while the advantages conferred on countries with a very much depreciated currency such as Japan or Italy were enormous and it could not be gainsaid that, that factor had enabled the foreign competitors of the Indian textile industry to work havoc in the Indian market to such an extent that any Government in the world would have forthwith stepped in, and done something. The Committee had read carefully all that Government had to say with regard to Japanese competition. Whether Japanese competition arose from State

subsidy, cheaper and higher rebated freight, exploitation of labour, or depreciated Japanese currency, it was quite certain that Japanese cloth had been quoted in the Indian market at rates which made the Indian manufacturer stand aghast. Against such a situation every country in the world had on the Statute Book legal provision which enabled the executive Government to interfere in time and to prevent any unfair attack on the organised industry of the country. Not only every nation on the Continent and the United States of America but the United Kingdom itself, the strongest exponent of the policy of non-interference of trade and commerce, had in the last few years resorted to several measures leading to salutory interference on the part of the State. The omission of the Government of India to take any measures corresponding to these, when there were known and incontrovertible facts calling for immediate action could not reflect any credit on Government and did not show any appreciation on their part of their obligations towards the community nor did it reflect any credit on the efficiency of the Commerce and Industries Departments. In the tariff system of India, there was also on the Statute Book, a provision which enabled the Government to fight bounty fed imports and the Committee did not understand why Government had not resorted to some more active measure for securing fair trade and for combating unfair competition from abroad. The Government had shown very great alacrity in imposing labour legislation on this country of very advanced character as advanced as, if not more so, than that obtaining in some of the countries on the Continent of Europe. They warmly favoured the principle underlying such legislation. What the Committee felt was that side by side with such labour legislation the Government should show themselves ready to protect the industries upon which such legislation had been imposed from unfair competition from countries which resisted every efforts to pass and make effective similar legislation in their own territories. They felt that the situation was serious and threatened ruin not merely to a large number of investors but to hundreds of thousands of workers and dependants. The Committee drew the Government's attention to the threatened miners' strike in England and the help given by the British Government to the coal industry. The conditions in the cotton industry, to-day were similar

and called for similar courageous action. In conclusion the Committee felt that while the need for legislation was great, machinery for securing such legislation was necessarily slow. In the meantime urgent action was called for such as the immediate suspension of the Excise Duty which had been universally condemned by Indian public opinion ever since it was imposed and the iniquity of which had been recognised by successive Finance Members including Sir Basil Blackett himself and which ought immediately to be taken off regardless of financial or other considerations. The Committee at the same time were strongly opposed to the suggestion which had been supported in influential quarters that the removal of the Excise Duty should synchronise with a proportionate reduction in the Import duty. In addition to the above relief such provisional arrangements should be made as would effectively counteract unfair competition of foreign manufactured goods with the Indian products. They did not wish by any specific suggestions to tie down the hands of the Government to any particular programme but they thought it very necessary to voice the public sentiment which had been conveyed in the above representation with regard to the acute distress which prevailed in the textile industry which threatened its ruin. The Committee finally pointed out that continued neglect of the situation was calculated to aggravate the general sense of India's absolute dependence in matters affecting her trade, commerce and industries.

54. Suspension of the Cotton Excise Duty:

The Committee sent a telegram to H. E. the Viceroy to the effect that they had learnt with intense gratification the Government of India's decision regarding the Excise Duty and offered congratulations on their statemantlike action. The Committee urged total abolition of the Excise Duty by next March.

Telegrams of thanks were also sent to the Finance and Commerce Members of the Government of India and Sir Purshottamdas Thakordas Kt. C. I E.

55. Proposed amendment in the rule 4 of the Indian Income-Tax Rules

A circular was received from the Central Board of Revenue

drawing the attention of the Committee on the above subject a d inviting their views on the same. In reply the Committee stated that they had no objection to the proposed amendment in the rule 4 of the Income-Tax Rules 1922.

56. Proposed amendment in rule 19 of the Indian Income-Tax Rules 1922.

A circular was received from the Central Board of Revenue to the effect that some changes were proposed to be introduced in Schedule A of rule 19 of Income-tax Rules 1922. The Committee were asked to send their views on the same. The Committee in reply stated that they had no objection to the proposed amendment in rule 19 of the Income-Tax Rules.

57 Reduction of Duty on Foreign Liquors manufactured in Bombay Presidency (Vide Appendix 72 p, 533 of the Chamber's Report for the year 1924.)

In reply to the letter of the Committee dated 20th August 1924, to the Revenue Department Government of Bombay, a copy of Government letter addressed to the Alembic Chemical Works Company Ltd. of Baroda on the above subject was received. It was stated in that letter that orders were recently issued by Government directing that Indian-made foreign liquor, whether manufactured in Bombay Presidency (including the Indian States situated within its geographial limits) or elsewhere in British India and imported into this Presidency which was hitherto assessed to duty at Rs. 21-14-0 per proof gallon should be charged duty at Rs. 17-8-0 per proof gallon. It was hoped that that reduction would be of substantial assistance to the company in question.

58. Tariff Valuations of Hides and Skins for the year 1926.

The Director General of Commercial Intelligence, Calcutta invited the opinion of the Chamber on the proposed Tariff Valuations of Hides and Skins for the year 1926 for the purpose of export duties. The Committee after consulting the trade informed him that they had no views to offer on the same

59. Annual Revision of Tariff Valuations:

The Committee of the Chamber had an interview with Mr. C. G.

Freke, Director General of Commercial Intelligence Calcutta on 1st of December 1925 to discuss the Annual Revision of Tariff Valuations. Mr. A M. Green Collector of Customs Bombay was also present.

60. Protective duty on imported Coal.

A letter with a pamphlet containing the application of the Indian Mining Federation for imposition of protective duty on imported coal with the Tariff Board's press communique and questionnaire was received for views of the Chamber thereon from the Tariff Board.

The Committee in reply stated that a duty equivalent to the amount of bounty should be imposed on coal imported into India from South Africa but only after a sufficient supply of railway wagons was available. Coal was undoubtedly an important industry in the country and was also undoubtedly a key industry, because anything that prevented sufficient supplies of coal being developed in the country would recoil very seriously on all Indian industries in any crisis of a kind at all comparable to the last world war and would subject all Indian industries to the exploitation by foreign competitors who might be more fortunately placed in the matter of coal supplies. Therefore, while such an industry could undoubtedly claim reasonable protection to allow a satisfactory development in the country the case for a countervailing duty to the extent of the bounty that might be given by any foreign Government to its own coal was far stronger because India should not tolerate such unfair competition from any country and should not allow production of any such country to enter into India that could not have entered the country without such artificial support and in the normal course of trade. The Committee would, therefore, urge the imposition;

(1) of an all-round import duty of Rs. 2/8 per ton in addition to the present revenue duty of 8 annas per ton in order to equalise the conditions of competition as between Indian and foreign coals on account of the further rise of 2d. in the pre-war gold par of the rupee;

(2) of an additional import duty of Rs. 5-2-8 per ton on all South African coal to counteract the bounty on coal of 7s.

9d. that they now get in the shape of rebate on the railway freight; and

(3) of additional import duty of an amount equivalent to the depreciation of their currency as compared with the pre-war gold par on all coals coming from countries with a depreciated currency.

The Committee also showed how the increase in railway freight had a most important bearing on the ability of the Indian collieries to work at a fair profit because if consumers were obliged to offer lower prices and the railway freight was not reduced *pro rata* the whole burden of reduction of price fell on the pit's mouth price, and it was that, in their opinion, that had been largely responsible for reducing the Indian coal industry to its present plight. As for exports of Indian coal, the Committee were in favour of encouraging the same in order to provide a ready-made outlet for coals when the home demand might be temporarily poor and they would welcome any suitable measure of encouragement in the shape of lower freight and charges on such exports.

61. Municipal Taxes in the Madras Presidency on Companies carrying on business there.

The attention of the Committee was drawn by a member to the Act that had been in force in the Madras Presidency for some 5 years viz. the Madras District Municipalities' Act, 1920, which empowered municipalities within their territory to levy a tax which in certain cases exceeded the limit of ordinary municipal taxes. The Committee were requested to do the needful in the matter. The Committee thereupon addressed the Government of Madras drawing their attention to the above Act, and added that under the operation of that Act a company with a paid up capital of over Rs. 10 lakhs had to pay a tax of Rs. 500 per annum irrespective of the fact whether that business had made profit or loss. Not only that but the tax could be levied by every Municipality within the Presidency and was as a matter of fact levied, so far as the Committee were informed, by more than one municipality. That tax might not bear hard on a company which was established and carried on business within particular

limits but in the case of a company with its headquarters say, in Bombay and which transacted business in half a dozen or more municipalities in the Madras Presidency the payment of the tax to each of those municipalities might mean a serious burden The Committee were informed that a Bill to amend the District Municipalities' Act was introduced in the Madras Council and would be much obliged if they were supplied with a copy of that Bill and also informed as to the progress it had so far made. The matter is still under correspondence.

62. Duty on Bengal Light Matches.

At the instance of the Gujarat Islam Match Mfg Co. a letter was addressed to the Government of India, Department of Commerce, expressing their surprise that Bengal Light Matches were classified by Customs authorities as Fire-works although they were considered as non-safety Matches both by railways as well as the Explosive Department of the Government of India. The present duty of 30 % on Bengal Light Matches instead of Rs. 1/8 per gross of boxes resulted in flooding the Indian markets with German matches which being lightly taxed easily competed with Indian matches handicapping the Indian industry and also affecting Government revenue. The Committe, therefore, requested the Government of India to be pleased to tax the Bengal Light matches as the same rate of duty as that levied on safety-matches. In reply the Committee were informed that the Government of India were not prepared to raise the import duty on Bengal Light matches which were of the nature of toys. This letter was recorded.

(E) PUBLIC ENQUIRY COMMITTEES & COMMISSIONS.

63. Taxation Enquiry Committee:

A letter was received from the Secretary of the above Committee forwarding a copy of their questionnarie and inviting the opinion of the Chamber thereon. In reply the Committee stated that an enquiry into the re-adjustment or distribution of incidence of taxation must, to be equitable follow and not precede an enquiry into the economic condition of the people. An enquiry as contemplated and instituted by the Government could not be successful

without a previous exhaustive enquiry into the taxable capacity of the people as ascertained by reference to their annual income. The country had never asked for any enquiry into a mere consideration of the tax system with the mutual relations and re-adjustment of its various parts. They further stated that the Taxation Committee could not be unaware of the recent appointment of a small Committee to examine materials at present available for framing an estimate of the economic condition of the various classes of the people of British India, to report on its adequacy and to make recommendations as to the best manner in which it might be supplemented and as to lines on which a general economic survey should be carried out with an estimate of the expenditure involved in giving effect to such recommendations. Holding the views that the Committee did they believed that the report of the Economic Enquiry Committee though its terms of reference were narrow and restricted might prepare the ground for a serious economic enquiry which was wanted before any taxation enquiry could be undertaken. The Committee could not see on these grounds that any useful purpose would be served by their replying to the questionnaire of the Taxation Committtee and they regretted they were unable to do so.

64. External Capital Committee :

A letter was received from the Secretary of the External Capital Committee enclosing a copy of the questionnarie for the opinion of the Chamber. The Committee sent replies to the questions which will be found in the relevant appendix.

65. The Indian Economic Enquiry Committee :

A letter was received from the Secretary, Indian Economic Enquiry Committee enclosing a copy of their questionnaire and requesting the Committee to send their replies thereto. In this connection a letter was also received from the Government of Bombay, Finance Department, enquiring whether the Chamber wished to nominate any gentlemen to give evidence before the Committee. The Committee replied to the Economic Enquiry Committee stating that they were unable to approve of Government's action in appointing the Economic Enquiry Committee with such terms of reference as

they had been given. The Committee referred to their letter to the Government of India regarding the constitution and terms of reference of the Indian Taxation Enquiry Committee and stated that the efforts of the Taxation Committee and of the Economic Enquiry Committee involved a waste of time and money for which no clear justification had been given to the public. The Committee had therefore decided that no useful purpose would be served by answering the questionnaire of the Indian Economic Enquiry Committee but if on the opinion expressed in the letter the Economic Enquiry Committee wished to invite the Committee to give any further oral explanation they would have no objection to sending one or more representatives to Poona.

A copy of the above letter was forwarded in reply to the letter from the Government of Bombay.

66. Royal Commission on Indian Currency.

(Vide Item No. 29.)

(F) TRADE AND INDUSTRIAL LEGISLATION.

67. Maternity Benefit Bill :

A letter was received from the Government of Bombay, General Department, enclosing a copy of the above Bill introduced by Mr N. M. Joshi in the Legislative Assembly, requesting the opinion of the Committee thereon. The Committee replied that they had expressed their views with regard to this bill when it was referred to them in November 1924, in their letter to the Government No T. 1501, dated the 22nd December 1924. They sympathised with the object underlying the Bill introduced by Mr. Joshi and felt that industrialism if it had to progress satisfactorily could not afford to ignore any abuses which might have crept under the system as its evil concommitants. Employment of women might be regarded as one of the necessary evils under the system of industrialism and particularly in the peculiar conditions of life to be usually found in modern factories. The evil could not be eradicated but efforts could be made to whittle down the bad effects proceeding from the evil and to make the employment of women both from the national and individual points of view as harmless as possible. It might be felt

apparently that employment of women during the 6 weeks preceding and 6 weeks following child birth was a very great evil against which provision should be made by the State or the industries concerned. They as aforesaid sympathised with the object underlying this movement but ventured at the same time to point out as they pointed in their previous letter that not a single country which was member of the International Labour Conference had got as yet any legislation following the Convention passed at the First International Labour Conference held at Washington in 1919. They would also like to re emphasise that if none of these countries several of which were industrially more advanced than India had upto this time thought it proper to put in effect the Washington Convention with reference to child birth, there was no reason why India should be called upon to undertake legislation with reference to the same. Nor had any arguments been advanced either by the sponsors of the Bill or by any one else as to why it was sought to bring under the influence of the Bill or by any one else as only industries and not agriculture, building trade and other occupation wherein women were employed. They also drew the attention of the Government to the several practical difficulties which stood in the way of the objects of the Bill being carried out with any measure of success. In the first place it was not made clear as to how the maternity fund was going to be constituted and Section 7 of the Bill gave rather vague and wide powers to each local Government to make rules for establishment of the maternity benefit fund, for fixing the amount of contributions to be paid to it, for the collection of contributions and for the management and safe custody of the fund as also for determining the manner of payment of the benefit to persons entitled to receive it.

All such powers could not be left to Local Governments without being first considered and determined upon by the Legislative Assembly where the Bill was primarily introduced. It was tantamount to taking away from the Legislature, if they might so put it, their fundamental right of criticism and construction in such an important matter vitally affecting the interests of industries. It was equally significant of the hap-hazard and slip-shod manner in which the Bill had been drawn that no article had been provided for

any misuse by the employees of the provisions of the Bill counteracting whatever good it might have been intended by it. The objection of the Bill was obviously to prevent women from continuing "their long and arduous work in factories, mines and other organised industries even in advanced stage of pregnancy and immediately after confinement." That object would undoubtedly be frustrated if women employees would supplement their dole when in a state of pregnancy or after confinement by taking up extra and outside work which as the Bill had been framed there was nothing to prevent them from doing. Nor would it be a reply to this contention that penal provisions might be introduced in the Bill for this would only mean that employees, ignorant and illterate as they are, would be terrorised by designing persons for their own purposes. Under all these circumstances the Committee were of opinion that the introduction of such a Bill was premature and that any such measure should follow and not precede voluntary efforts made by employees and employers in mutual collaboration for the benefit of the former.

68. Rules under the Cotton Ginning & Pressing Factories Act:

The opinion of the Chamber was invited on the draft rules under the above Act, by the Government of Bombay, General Department. The Committee in reply stated that the rules drafted were in accordance with the Cotton Ginning and Pressing Factories Act, but they felt that the compulsory punching of the serial number of each bale on the centre hoop was such a minute direction, that in actual practice it might cause great inconvenience to the trade at large and would lead to considerable confusion and irregularities. The Committee therefore suggested that at the commencement this detail might be omitted in the rules and the marking of bales might be confined only to the year of the crop and the district and the serial number of the Press in such districts being marked on each bale. If this suggestion was accepted the Committee expected that considerable opposition to the rules would disappear. The Committee further stated that unless the Central Cotton Committee had got punching machines before October next Government should postpone putting the rules into operation. They further pointed out that there

was a certain influential section of cotton trade which felt that the divisions of the various cotton districts as devised in the rules should be altered. This section suggested that the cotton districts of India should be divided in accordance with the divisions as mentioned in the various schedules to the East India Cotton Association Bye laws. The Committee marked their appreciation of the comparative promptness with which the Government of India had been able to issue the draft rules so soon after the passing of the Act. They were anxious that these rules should be on lines of least resistance by the trade except of course on matters of principles underlying the main Act. They therefore trusted that the Governor-General-in-Council would, after the receipt of various opinions be able to finally decide upon such rules as would be most acceptable to the trade.

In this connection, the attention of the Committee was drawn by a member to the above rules. He stated that an amount of expense and inconvenience would be caused by the operation of those rules. The Committee were therefore requested to move in the matter and request the Government to remove this hardship. The Committee informed the member in question that in their representation to the Government on the above subject they explicitly said that the compulsory punching of the serial numbers of each bale on the centre hoop was such a minute direction that in actual practice it might cause inconvenience to the trade at large and would also lead to considerable confusion and irregularities. They, therefore, regretted that they could not add anything to what they had clearly represented already. The Committee, however, suggested to the member to approach the Central Cotton Committee in collaboration with other cotton gin and press owners in the matter.

69. Bill to amend the Succession Certificate Act.

The Committee addressed the Government of Bombay, General Department, drawing their attention to the fact that the Goverments of other Provinces had invited the views of various commercial bodies on the Hon. Mr. Phiroze C. Sethna's Bill to amend the Succession Certificate Act, 1899. The Committee requested the Government to inform them whether they had been consulted by the Government of India on the subject and if so whether they had invited

the views of commercial bodies. In reply the Committee were informed that the Hon. Mr. Phiroze C. Sethna's Bill was referred to them by the Government of India for opinion and that the opinion called for, had already been forwarded to the Government of India. It was further added that no commercial bodies were consulted by them on that question. Thereupon the Committee addressed the Government of Bombay, General Department, stating that the Governments of Madras, Bengal, the Punjab and Burma had consulted the local commercial bodies in their own Provinces. The proposed Bill was concerned with an important question relating to insurance business and as such should have been referred to commercial bodies in this Presidency also. They regretted that it had not been done and hoped that in future the Government would be pleased to send all such reference to the commercial bodies for their opinion.

70. Bombay Cotton Contracts Act, 1922.

A letter was received from the Government of Bombay, Revenue Department, stating that Section 1 (2) of the Bombay Cotton Contracts Act provided that the Act had to remain in force for 3 years and such period thereafter as the Governor-in-Council might by notification direct. The period of 3 years expired on 27th December 1925 and the East India Cotton Association, Ltd. had proposed that the duration of the Act should be extended by 5 years. The Committee were requested to forward their opinion on that proposal. The Committee in reply stated that they approved of the proposal of the East India Cotton Association to extend the duration of the above Act by 5 years.

71. Bill to amend the Imperial Bank of India Act by Mr B. Das :

A letter was received from the Southern India Chamber of Commerce, Madras, forwarding their resolution of support regarding the above Bill, and requesting the Committee to move in the matter. The Committee thereupon addressed the Government of India, Finance Department, stating that their attention had been drawn to a Bill to amend the Imperial Bank of India Act, notice for consideration of which had been given by Mr. B. Das. They warmly

supported the general aim of the Bill which was for Indianisation of the staff. In particular, they would press strongly for the reform indicated in Clause (3) of the Bill providing for at least one Indian as Managing Governor of the Imperial Bank.

72. Rules re: Fumigation of American Cotton.

A letter with a copy of their representation to Government, re draft rules on the above subject was received from the Bombay Millowners' Association requesting the Committee to take steps to prevent the same rules being put into force. The Millowners' Association observed that the destruction of the Boll Weevil was primarily a measure for the protection of the agriculturist and that all fumigation charges should therefore be met from general revenue.

The Committee in reply regretted their inability to support their proposal.

73. Proposed amendment in the Civil Procedure Code:

The Committee were invited by the Government of Bombay to offer their views on recommendation of the Civil Justice Committee regarding amendments of order XXXVII of the First Schedule and Sections 21 and 39 of the Civil Procedure Code.

Order XXXVII Rule 2 deals with summary procedure for the recovery of monies due on negotiable instruments and provides that on certain conditions being fulfilled the plaintiff shall be entitled to a decree of any sum mentioned in the summons together with interest at the rate specified, if any, to the date of the decree and such sum for costs as may be presented.

The changes in Sections 21 and 39 (1) are to be introduced with a view to prevent parties from raising absolutely frivolous objections at a later stage of the execution proceedings, and to ensure the execution of a decree by a Court of competent jurisdiction.

The Committee in reply stated that they had no objection to the proposed amendment in order 37 Rule 2 but they were advised that it would restrict the powers of the Court to grant interest only in cases where payment of interest was provided by the document sued upon (*e. g.* a bill of exchange, hundi, promissory note) or at the rate

of 6% as provided by Section 80 of the Negotiable Instruments Act 1881. Thus the Court could not grant interest in a summary suit to the plaintiff who sued for the recovery of a liquidated sum although he might be entitled to interest under the provisions of the Interest Act and could recover it if he had adopted more expensive procedure and filed the suit as a short cause. It would be penalising the plaintiff who resorted to the summary and cheaper procedure and induce parties to resort to the ordinary and more expensive procedure.

As regards proposed amendments in sections 21 and 39 the Committee fully supported them.

74. Proposed amendment of the Negotiable Instruments Act, 1881 :

A letter was received from the Government of Bombay, Home Department, forwarding a copy of Government Resolution No. 5701 dated the 4th May 1925 together with its accompaniments and requesting the Chamber to forward their opinion on the proposal "that the Negotiable Instruments Act 1881, be so amended as to give effect to the ordinary commercial practice of treating bearer drafts, hundis and cheques as negotiable by delivery in all circumstances irrespective of any endorsement that may be made therein," made in the resolution passed by the Associated Chambers of Commerce of India and Ceylon. The Committee in reply stated that they approved of the amendment proposed by the Associated Chambers of Commerce in Act so far as it related to Cheques and Drafts. As regards the question that related to Hundis they stated that it was sought to amend the Act in such a manner as to make Hundis, amongst others, payable to the presentor thereof or the bearer irrespective of any endorsements that might be made on the said hundis by subsequent parties. That step was suggested at the instance of the Associated Chambers of Commerce who in December 1924 passed a resolution to the above effect. It was to be noted that the relief sought was regarding bearer drafts, hundis and cheques. It was not clear whether the Associated Chambers of Commerce wanted that restricted to only such hundis, as might be drawn payable to the bearer or to hundis of every description. The Committee had no objection to the change that was sought to be made applying to

bearer drafts and bearer cheques where a draft or a cheque was so drawn and accepted by the other party and such party accepted the document with open eyes and were aware of the risk involved. The question regarding hundis was a little more complicated. Where a Hundi was payable to the presentor thereof or to bearer there was no objection to the suggested amendment of the Negotiable Instrument Act applying to such hundis: But there were also hundis which were drawn worded as follows:—

'Received from A B. payable Shah Jog" (a Shah meaning a sound party, after making sure of the place of business of such party and taking other precautions). The Committee enquired whether the Associated Chambers of Commerce advocated the suggested amendment to apply to such Hundi also. Pending receipt for this information, they summarised their suggestions and recommendations as follows:—

(1) they agreed to the proposed amendment regarding bearer cheques and bearer drafts;—

(2) they agreed with the suggestion to make "Dekhadnar-Jog" (payable to presentor) and "Shah-Jog" (payable to a responsible and respectable person,) hundis to be negotiable by delivery irrespective of any endorsements, but the sanctity of the word "Shah-Jog" as defined in the Judgment of Justice Arnold, 1869 should be preserved (Vide Daulatram Shivram versus Bulakhidas Khemchand 1869, 6, B. H. C. R. 24). It should be provided for "Dekhadnar-jog" hundis that any instruction printed written or impressed by a rubber stamp about payment at its destination to a particular firm or a particular person at a particular address, should not be ignored or neglected.

75. Amendment of the Indian Limitation Act —

The Committee received a letter from Government inivting the Chamber's opinion on certain propsed amendments of the Indian Limitation Act which had been recommended by the Civil Justice Committee.

The Committee in reply stated that while they had no objection

to the proposed amendments in Section 14, they were strongly opposed to the amendments in sections 19 and 20. As regards amendments in articles 47, 92, 93, 95, 96, 109, 113 and 123 of the Schedule I they were of opinion that the period of limitation in India was much shorter than in England where people were educated and alive to their rights. The existing period of limitation here was none too long and they thought that it should not be further curtailed. They approved of suggestion re amendment in article 132.

76. The Bill to authorize the Expulsion of Non-Burman Offender from Burman:-

The Committee were requested by the Burma Indian Chamber of Commerce to support it in its protest against the above bill. The Bill as amended by the Select Committee, in the opinion of the Burma Indian Chamber of Commerce would drive out the Indian Community from Burma, and hit hard the trading class in particular.

The Committee thereupon addressed a letter to the Government of India stating that the Bill would set up a deal of racial feeling, and would lead to disastrous results. Burma was an integral part of India, and Indians had done not a little in developing that Province. The Committee hoped that His Excellency the Viceroy would be pleased not to give his assent to the Bill even though it was passed by the Burma Council.

77. A Bill to regulate and control certain contracts for the purchase and sale of securities in the city of Bombay :—

The opinion of the Chamber was invited by the Government of Bombay on the above Bill. The Bill among other things authorised the Governor-in-Council to refuse to sanction any or all rules made by a stock-exchange and from time to time add to, amend, or rescind the rules made by a stock-exchange and sanctioned by him.

The Committee in reply stated that they did not accept the principle of Government interference with or control over any association of merchants or traders dealing in any article so long as serious questions of public interest were not involved and serious complaints had not reached the Government.

But looking to the events that had recently occured in the Stock Exchange Organisation in Bombay, the Committee supported the principle of the bill but they proposed restriction of the operation of clause 3 in the Bill. This clause gave power to the Governor-in-Council to add, to amend, vary or rescind rules made by a Stock Exchange.

The Committee felt that if rule no. 26 was omitted or altered in accordance with the suggestions of the Atlay Committee, Government interference might be reduced to a minimum. They therefore suggested that the introduction of the Bill should be coupled with a declaration that Government would not at any time suggest the addition of any rules which were not encompassed by the recommendation of the Atlay Committee.

78. The Bill to consolidate, amend and extend the law relating to Insurance Companies.

A letter with a copy of Government Resolution and letter of the Government of India was received from the Government of Bombay inviting the opinion of the Chamber on the provisions of the above Bill and specially on the points brought forward in the letter of the Government of India.

The Committee in an exhaustive reply expressed their opinion on the provisions of the Bill.

The same will be found in the respective appendix.

79. Amendment in the Indian Factories Act :—

A letter with a copy of the Government Resolution and a Bill to further amend the Indian Factories Act 1911 was received from the Government of Bombay inviting the opinion of the Chamber on the same. It was stated in the statement of Objects and Reasons that certain administrative difficulties had arisen in connection with some sections of the Act. One such difficulty related to section 21 which provided for intervals of rest. The amendments proposed in the Bill were based on the recommendations of the conference of Chief Inspectors of Factories held in Simla in August 1924. The Committee in reply stated that the question of rest intervals was the most important dealt with by these proposed

amendments. The Committee reiterated their views in this connection expressed in their letter of 27th July 1923 to Government.

80. Bill further to amend the Small Causes Courts Act, 1882, in its application to the Bombay Presidency (Vide Chamber's Report for 1924, p. 390).

The Committee addressed the Government of Bombay in this connection and enquired what steps if any had been taken by Government in the above matter. In reply the Committee were informed that the Bill had been dropped by Government as it was found that it was generally opposed. The Committee in reply requested the Government to enlighten them as to the nature and extent of the general opposition to that Bill. The Committee were informed that a number of commercial and legal bodies which were consulted were against the Bill mainly on the ground that it took away the concurrent jurisidction of the High Court. The Committee again addressed the Government of Bombay stating that they remembered that a large number of commercial bodies had emphatically approved of and endorsed the proposed amendment of the Small Causes Courts Act, 1882, and they would, therefore, be obliged if Government would inform them as to the names of those commercial and legal bodies which had approved of the Bill and those bodies which had opposed the same. The Committee were informed that the only commercial body which expressed its approval of the proposed Bill was the Indian Merchants' Chamber. The Committee again requested the Government to supply them with the names of those commercial and legal bodies which had opposed the amendment. The Committee in reply were informed that no further information would be given in the matter.

(G) GENERAL TRADE AND INDUSTRY.

81. Share Transactions:

A letter was received from a member suggesting certain amendments in the Indian Companies' Act re: share transactions. The Committee in reply stated that they did not approve of the suggestions made therein. They, however, approved of the suggestion that as a rule certificates should be given that the shares were free and the

company had got no lien on them, but thought that every shareholder could get such certificates through his own broker.

Again a letter was received from the same member drawing the attention of the Committee to the above difficulties experienced in transferring shares on which the Jt. Stock Co's had their lien and requesting them to do the needful in the matter. The Committee in reply informed the member that as the question concerned primarily the Shares and Stock Brokers' Association it would be advisable for him first of all to move the Committee of that Association in the matter. If that Association decided to take up the matter and wished for the support of the Chamber to its representation to Government, the Committee would be glad to give the matter their best consideration.

82, Japanese Undershirts: (Vide Item No. 81 Annual Report 1924 p. 49)

In reply to the Committee's previous letter, a letter was received from the Collector of Customs stating that the Customs House could not take any objection to a discrepancy between marked sizes and the actual measurement unless such variation was in excess of the variation of one inch allowed by the trade in the class of goods. While he was prepared to allow this latitude any abnormal discrepancies between marked sizes and actual measurements would be dealt with according to law. He was further prepared to comply with the Committee's request that no action should be taken on goods shipped on or before 1st January 1925 provided that the variation was not appreciably more than one inch. With regard to the Committee's statement that variations to the extent of 5 per cent. were allowed in goods imported from Japan, he pointed out that it was not based on facts. It was only in the case of Shanghai silk piece-goods which were generally sold by tael weights that an allowance of 5% for dryege was made. He should have been glad to refund penalties imposed in the cases by the Customs if the penalties imposed had been in each case a penalty imposed for variation in excess of inch. He regretted that he could not refund any of the penalties already imposed. A copy of this letter was forwarded to the member concerned for information.

83. Issue of Certificates of Origin by the Chamber:

At the instance of a member of the Chamber the Committee have decided to issue Certificates of Origin to merchants on payment of a fee of Rs. 5/- per each certificate issued.

84. Indian Industrial & Commercial Congress :

Towards the close of April last the Committee addressed various Indian Chambers of Commerce and Commercial Associations stating that looking to the present industrial, commercial and financial condition of the country it was vitally essential that an organisation like the Indian Industrial and Commercial Congress should be revived. Before this could be done however it would be well if all Indian Chambers of Commerce and Commercial Associations met in a conference. The Committee believed that such a Conference would go far towards unifying the Indian commercial opinion on vital problems and would lead commercial representatives of different Provinces to get better acquainted with one another. The Committee therefore requested the various Chambers of Commerce and Associations to inform them if they approved of the idea of having such a conference and if so whether they would be in a position to send a satisfactory number of representatives to that Conference if it was held sometime in November this year. Most of these Associations and Chambers of Commerce had consented to join the proposed Congress. It was therefore decided to hold the same in Delhi on 19th and 20th February 1926. Lala Harkisanlal has kindly consented to preside over it. Fees for delegates and members of the Reception Committee were fixed at Rs. 10 and 20 repectively.

85. Federation of Employers' Associations:—

The Bombay Millowners' Association invited the opinion of the Chamber as to the advisability of establishing a Federation of Employers' Associations in India and enquired whether the Chamber would be prepared to become a member of a federation established for the objects roughly outlined in their letter.

In reply the Committee stated that it would be advisable to establish a Federation of Employers' Associations and that the

Chamber would be prepared to become a member of that Federation. The Chamber would also be prepared to send one or more delegates to any meeting which might be convened in this connection.

86. Department of Chemical Examiner, Government of Bombay

At the instance of a member of the Chamber, the Committee addressed the Government of Bombay, General Department, on the above stating that they viewed with considerable apprehension the growing practice with the Chemical Examiner to Government of conducting analysis, examination and report upon commercial and economic samples submitted to him for investigation by the mercantile community and the general public. They strongly felt that, that practice was not within the legitimate scope of his duties. The original object of creating the post of Chemical Analyser to Government was chemical analysis of, and reports on samples submitted by the Customs and Preventive Services and assisting the Muncipal and District Boards as an examining officer under the Food and Provisions Act. His Department in general was to assist in all chemical matters submitted by the various Departments of Government and as he had to deal with medical, legal and toxicological specimens, his chief responsibility was connected with medical jurisprudence and this organisation was therefore placed under the Medical Department and its budget grant placed under Medical Expenditure. The numerous samples which used to be sent to his laboratory by the various Departments required a very large staff under a specially highly-paid officer but with the establishment of new special departmental laboratories such as bacteriological, agricultural, municipal and other laboratories considerable work which was previously done at the Government laboratory was thus diverted to those laboratories. It was therefore expected that Government would reduce the large expensive organisation maintained under Medical Expenditure. The Committee further stated that exhorbitant fees had been charged by the Chemical Examiner for giving opinions and cerificates and reports on commercial products submitted to him for analysis. The Government Chemical Examiner, in their opinion, could not from the very nature of his position accept responsibility either in his

personal capacity or for Government. The public thus not being in a position to measure the value and responsibility attached to such certificates had been led to believe that they had been safe in getting their work done by Government officer believing that Government would ultimately be responsible for the opinion expressed and the work done by the official and his Department. The Committee believed that the Government were aware of the growing practice in Bombay with the mercantile community to enter into contract for sale or purchase on the strength of Government analysis and report The buyer or the seller had thus no other option but to seek the aid of the Government analyst. This inequitous practice was, they were glad to find not yet allowed by Government in their other departments.

The acceptance of the commercial and industrial work from the public by the Government Examiner in Bombay was evidently clearly outside the function of such officers Some idea of the unregulated activities of the Department may be gained from the manner in which its income and expenditure were adjusted. The Chemical Examiner to Government and his staff charged very heavy fees for the examination and certificates of large stocks of minerals and ores, food drugs and other articles of commerce, but the fees thus received were not, it appeared, credited to Government. By a reference to the Budget for 1925—26 it would be found that the Department of Chemical Examiners had not made any contribution to the Revenue whereas under Expenditure, Estimates and Expenses for the Department of Chemical Examiners was shown to be Rs. 83,000. In the Preliminary issue of the Civil Budget Estimates Government has shown how the Budget estimate of Rs. 83,000 was made up. Besides the salaries, there were various other items such as chemicals, instruments, freights, rents, rates and taxes and all other miscellaneous charges which were payable for the maintenance of the laboratory. All those expenses were debited to the Chemical Examiner but the fees received by them did not seem to be credited to the revenue. The Committee understood that the fees charged by them to the public were retained by them as their personal earnings, while the Government received only a trivial amount out of that for

the actual cost of chemicals and gas used and made no charges to its officers for other materials, rent, water, apparatus, and time spent by the officers and the staff for such outside public work. The use of public revenue and facilities of a great Department should not be allowed to be utilised for the benefit of its officers in a manner which tended to sacrifice public interest and compelled the mercantile community in a false sense of security. The appointments of Chemical Analyser and Examiner to Government and his assistants were mostly made from the medical profession. The Chief Examiner was as a rule selected from the Indian Medical Service, generally from officers connected with the Army. Most of the assistants to the Chief Examiner had all been medical graduates and only recently one or two graduates in Science were appointed as Laboratary Assistants. It had never been known in England or as a matter of fact in any other country that they knew of, that appointments for such high responsible work requiring high degree of experience, specialised knowledge of commercial and industrial conditions and requirements, were held by men who had been trained up for medical practice. There was another serious aspect of that question also. In commercial law suits in which considerable importance was attached to reports of analysts and opinions of chemists, it was the general practice in this Presidency to obtain the evidence of the Chemical Analyser to Government. The Courts in such cases naturally attached great importance to the evidence submitted by the alleged high authorities and it was common knowledge that those of the independent profession who had appeared in the Courts had been most unreasonably and slightingly treated and the parties engaging the services of the Government Examiner enjoyed an unfair advantage. The Committee therefore earnestly requested the Government to look into the matter not only from the standpoint of how it affected the interests of trade and commerce of this Presidency but on the broad grounds of national expediency as well, and put a stop to that practice by prohibiting the acceptance of work from the public by all Government institutions, laboratories and Departments, and laboratories and institutions supported by the Government aid,

87. Dispute between a Member of the Chamber and an American Firm.

A letter was received from a member drawing the attention of the Committee to a case which had arisen between them and Messrs J. Richman & Co., of New York. regarding certain shipments of fents and remnants made by them, in which they stated that the American firm had shipped certain goods (1) without their order, and (2) different from the quality asked for. The Committee were requested to do the needful in the matter. The Committee thereupon addressed the Consul for the United States of America in Bombay drawing his attention to the case in dispute and requested him to enquire into that matter and let them know what steps could be taken by him in the matter. In reply the Committee were informed that the Consulate was making a report to its Government for the purpose of having the matter thoroughly investigated and they were also requested to report all such cases in future in order that they might be brought to the attention of the United States' Government

88 Auction sales of cotton by Gadag Cotton Sales Society.

A letter was received from the Indian Central Cotton Committee, informing the Committee, that the above Society had experienced some difficulty at its recent auction due to an attempt to boycott the auctions organised by local Dalals. The Society on behalf of its members sold mainly, Dharwar upland cotton, the bulk of the *kapas* offered, being grown from seeds of improved strains of upland cotton Gadag No. 1 introduced by the Agricultural Department. The Committee were asked whether they could help the Society in selling the cotton. In reply the Committee stated that they would be glad to bring the cotton auctions, to be held by the Gadag Society, to the notice of such members of the Chamber as were interested in the purchase of cotton on receipt of notices of such auctions.

89. Concession to cut trees suitable for match making by the Government of Bombay :

A letter was received from the Indian Match Manufacturers' Association drawing the attention of the Committee to some conces-

sions given to the Western India Match Mfg. Co to cut trees suitable for making matches by the Government of Bombay from Thana and Alibag forests. The Association further stated that the menace of the competition by foreign match factories in this country was assuming a serious aspect which would result in the extinction of Indian enterprise in the field of match manufacture. The Committee thereupon addressed the Government of Bombay (Transferred Departments), Excise and Forests Department, drawing their attention to the above concessions and asked them whether any such concessions were granted to the said Company by them, and if so on what terms they were granted.

90. Introduction of Message Rate system by the Bombay Telephone Co.

A letter was received from the Bombay Telephone Company to the effect that hitherto a flat rate for exchange had been charged which was at present Rs. 300 per annum for a business line and Rs. 210 per annum for a residential line; the maximum charge permitted by the Government of India under the license being Rs. 350 per annum. In Bombay the demand for telephone connections due to trade boom conditions completely outran the supply in the years 1920-21-22. The Company in spite of the most strenuous efforts to keep pace with the demand had no less than 1,000 undisposed demands for new connections in its books in July 1923. To meet the demand the old manual system was scrapped and the new automatic system was installed at a very great cost. Unfortunately owing to bad trade conditions the bulk of new applications did not materialise and the Company found its position completely reversed. Proceeding further the Company stated that it was clear that until the Telephone could be brought within easy reach of the small users to whom a lump sum payment of Rs. 300 or 210 was out of question it was impossible to tap a new field of expansion. Flat rates were very heavy to small users and therefore the Company desired to introduce the message rate system. Experience bore out that the introduction of Message rate would result in,

(1) Increased efficiency.

(2) Increased number of users, and

(3) Increased utility.

Company invited the opinion of the Chamber on the proposed change in rates.

The Committee in reply stated that the Telephone Company should be considered as one of the Public Utility Services and that in that respect it should have its scope and functions differentiated from those of other Joint Stock Companies. The Company being a Public Utility Company was naturally expected to pay principal attention to needs and conveniences of public and not to make profit earning its leading consideration. Comparing the rates of telephone charges in 1913—14 with present ones, they found that the rates charged at present fully covered the increased cost of materials and labour. The Committee were glad to note that it was the object of the Company to "attract small usesrs and expand the service," but they were afraid that those objects could not be secured by the methods proposed to be adopted by the Company. They therefore strongly protested against the proposals made by the Company. The Company again addressed the Committee to the effect that the Company had not in fact been in a position to pay a reasonable dividend to the ordinary shareholders, the dividends in the last three years having been 4½, 4½ and 2% respectively. The Company had installed an upto-date system at great expense and the improvement in the service given was such as in itself would warrant a very considerable increase in the rate of charges.

The Committee in a lengthy reply stated that they had throughly examined the Company's accounts reports, and balance sheets and capitalisation scheme, and had come to the conclusion that the dividends of 4½, 4½ and 2% respectively were really 11¼, 11⅓ and 5 per cent if calculated on the real capital, which could not be considered unsatisfactory. As for the lines which where lying idle at present they would make the following contructive suggestions :—

(1) The Company should put into practice its own suggestion to collect subscriptions by monthly instalments ;

(2) The Company should have more active propaganda made

for its own scheme of Rs. 150 each year for residential telephones for 2 subscribers within quarter of a mile of each other ; and

(3) The Company should also offer a discount of say 20 per cent to any subscriber who took more than one line on each additional one after the first. If the above suggestions were adopted the Committee felt that the 4261 idle lines would soon be taken up.

Afterwards a letter was received from the Government of Bombay inviting Chamber's opinion on this subject. The Committee in reply put forward the reasons and grounds on which they had opposed the proposed change in system.

91. Imports of certain goods directly into Kathiawar ports:

The attention of the Committee was drawn by a member to the above imports from abroad. It was stated therein that such a practice was a great handicap to the legitimate trade of British India and the Committee were therefore requested to take up the matter with the Government of India. The Committee thereupon asked the member in question to supply them with more particulars without which they were not in a position to give any advice or move in the matter. This question was also taken up with the Hon'ble Member for Commerce and Railways, Government of India, when he visited last the Committee. The Hon'ble Member for Commerce informed the Committee that the Government of India had already taken up the matter in question.

92 Smuggling in Sachharine (Vide Chamber's Report for 1924, page 559):

The Committee, in this connection, again addressed the Government of India drawing their attention to the above smuggling and added that since then the Land Customs Act was passed by the Indian Legislature and had already come into force, but notwithstanding these legislative measures, they were informed, a good deal of smuggling of sachharine was being still carried on. The Committee further stated that a suggestion had been made to them that the

imported tins which were all of one pound each should be stamped with the Government stamp at the time of importation by the Customs authorities and if this were done it might go a great way towards checking the evil. In addition to the stamping of all imported tins the stocks held by merchants might be required to be stamped by the Collector of Customs within certain time from the date of the notification. If this were done, Sachharine merchants believed that illicit traffic in the commodity would be soon put a stop to. The Committe would like to know if the suggestion made to them with regard to the above stamping met with the approval of the Government and if so, whether they thought of putting it into practice. The matter was also discussed with the Hon'ble Member for Commerce and Railways Government of India at his interview with the Committee. He assured the Committee that the Government of India was seriously thinking of taking effective steps in the matter.

93. Importation of potatoes into India:

The attention of the Committee was drawn by a member to the Government of India notification No. 580-240 of 1922 in connection with the importation of potatoes from Europe. In that notification various countries were mentioned from which potatoes could be imported after obtaining a certificate from the officers mentioned in the said notification. No officers had been named for Holland and Germany. The Committee were requested to draw the attention of the Government to this and request them to appoint such officers in Holland and Germany from whom importers could obtain the necessary certificate required by the notification. The Committee thereupon addressed the Government of India drawing their attention to that notification and requesting them to appoint such authorities in Holland and Germany. They also pointed out that potatoes imported from any other country not named in the schedule appended to the above notification were likely to be destroyed on arrival at a port in India by port authorities. It was necessary, therefore, that provision should be made to pass such imported articles on arrival at the port by fumigation as it was provided for other

articles such as fruits and vegetables. An amendment to the Pest Act might be made if considered necessary.

94. Revision of the lists of articles specified in the Seaborne Trade Returns of British India:

The Committee were informed by the Director General of Commercial Intelligence and Statistics that the question of annual revision of the lists of articles specified in the Seaborn Trade Returns of British India was now under consideration and that he would be glad to receive any suggestions regarding any additional items which they considered essential for specification in the Returns. The Committee in reply stated that angles, bolts and rods; beams girders, pillars and bridge-work; nails, screws, rivets and washers; steel beams and girders (together); pillars and bridge-work should split up and each article should be separately shown in the Seabone Trade Returns of British India.

95. Stamping of Cotton Piece-goods:

A letter was received from the Collector of Customs, Bombay, stating that the Government of India had under consideration the question of marking of lenghths on piece-goods in general. The rule at present provided that only the descriptions of cotton piece-goods specified in the list appearing on page 9 of the Merchandise Marks Manual, 1921, were required to be stamped with the length. A number of descriptions of cotton piece-goods which were assessed at 11 percent under the tariff and which were sold by length or by the piece did not actually appear by name in that list although they actually fell under one or other of the specified description of cloth. It had, therefore, been suggested that it would be more convenient for all concerned to cancel the list of piece-goods which required stamping and to have instead a short list of piece-goods which did not require stamping. The Committee in reply stated that they were of opinion that blankets should be taken out of the list which at present did not require stamping but that napkins should be included in that list. They had no other suggestions to offer.

96. Proposed stamping of finished shawls :

A letter was received from the Collector of Customs, Bombay, stating that the question of stamping of finished shawls with length marks was engaging the attention of the Government of India. Under the existing orders, shawls other than single finished shawls of small dimensions were required to be stamped. It had been ascertained on enquiry, that the trade generaly desired, that all shawls irrespective of their sizes should be exempted from stamping. The question therefore was whether, the Chamber agreed with the opinion expressed by the trade or desired a limit to be fixed above which shawls whether cotton or woollen should be stamped. Government would like to be guided in this respect by the practice of the trade. In reply the Committee stated that, they agreed with the opinion expressed by the trade, that all shawls irrespective of their sizes should be exempted from stamping. Afterwards a letter was received from the Collector of Customs Bombay to the effect that, the Government of India had been pleased to decide that all finished shawls were exempted from requirement of stamping.

97. Increase in rates of premium on shipment of cotton and twist by Bombay Underwriters' Association :

The attention of the Committee was drawn by a member to the above increase. The Committee were requested to approach the said Association to reconsider their decision and continue their old rates till the commencement of the new cotton season as such a heavy increase in the rates of premium in the middle of the season without sufficient long notice would bring a heavy loss to the shippers. The Committee accordingly wrote to the above Association that they apprehended that many merchants who had made forward sales would be hard hit by those increases and suggested that the new rates should not be enforced before the beginning of February at the earliest so that as little loss as possible might be inflicted on the business community. The Committee also requested the Association to state the reasons which were responsible for the increase. The Committee were informed that as those rates had been arranged in London that Association was not in a position to

accede to the Committee's request. The Committee again wrote to the Association requesting them to send a copy of their previous as well as this letter to their London office with an urgent request for reconsideration. These increased rates they added, had affected adversely a good many of the merchants and they trusted that their London Office looking to these complaints of the Indian commercial community would be pleased to act up to their suggestion that the new rates would not be enforced before the beginning of February at the earliest. The matter is still under correspondence.

98. Transmission of gold parcels by Posts:

A letter was received from a member drawing the attention of the Committee to a grievance of the Indian mercantile community in connection with the practice of the insurance department of the Post Office. During the War the Government with a view to restrict the circulation of gold prohibited the sending of bullion gold worth over Rs. 300 in a single parcel. This rule was still continued to be enforced although the other war-time restrictions had been done away with. The rule was as useless as it was irksome, for the public had to break up its consignments in parcels of Rs. 300 and the effect of the rule in accomplishing the object with which it was framed was practically nil. The only effect was that the public had to pay more to the packers as it required more boxes and pick-pockets got a nice time since it was not so easy to guard a number of small parcels as one single parcel. This rule was causing largest inconvenience to the public without benefitting the Government in any way. The Committee were requested to move in the matter. The Committee resolved to forward this letter to their representative on the Assembly for necessary action.

Sir Purshotamdas Thakurdas, Chamber's representative in the Assembly informed the Committee that the limit of Rs. 300 would be raised to Rs. 700 from the 1st of September 1925 with regard to the transmission of gold by post. This letter was recorded.

In this connection a letter was received from the Bombay Shroff Association stating that their deputation waited upon the Postmaster General, Bombay, regarding the above matter who admitted the need

of raising the limit of Rs. 700 to Rs. 2,000 but said that the matter should be placed before the Governor-General in Council by way of representation from the interested bodies of merchants. He also promised to endorse the same favourably if the same was forwarded through him. They requested the Committee to take the lead in the matter and prepare a representation to Government which might be signed by the different Associations jointly or severally as might suit them. The Committee informed the Association that they took up that question and requested their representative in the Assembly to do the needful in the matter at the request and instance of the Bombay Bullion Exchange, Limited, and the Hindustani Native Merchants' Association. They heard from their representative, Sir Purshotamdas Thakurdas, recently that Government had issued a notification making the necessary changes in the Postal Rules in response to their demand by which the limit was raised from Rs. 300 to Rs. 700. The Association apparently now wanted that limit to be further raised to Rs. 2,000. If the Association would send a copy of their representation to Government on the above, the Committee would give it their best consideration.

(H). INTERVIEWS WITH GOVERNMENT OFFICIALS.

99. Interview with the Honourable Sir Basil Blackett, Finance Member, Government of India.

The Committee had an interview with the Hon'ble Sir Basil Blackett, Finance Member, Government of India, on Friday the 3rd July 1925 when certain questions regarding Currency and Exchange were discussed.

Afterwards, the Committee addressed a letter to the Government of India, Finance Department, clearing up a misapprehension on the part of the Hon'ble the Finance Member of the portion of the speech of the President of the Chamber in which a method of providing currency automatically had been suggested.

The Committee further wrote that the Hon. Member took it to mean that because the Chamber considered it desirable to

provide a *quasi-automatic* means of expanding the currency during the next busy season, they were in favour of immediately fixing the exchange at 1*s*, 6*d*., and that they would like statutory action to be taken to alter the ratio at once from 2*sh*. to 1*s*. 6*d*. The Committee had carefully re-considered that part of the President's speech and failed to find any warrant whatsoever for the inference drawn by the Hon. the Finance Member. The Committee feeling the need of some automatic provision of currency had shown the way in which it could be done without infringing the existing provision of the Paper Currency Act and without prejudice to the ultimate ratio that might be adopted and were therefore rather surprised that the Hon. the Finance Member should have construed that as implying that they were very anxious to immediately fix the ratio at 1*s*. 6*d*. As regards the remark that the Chamber was making a fetish of 1*s*. 4*d*. ratio, the Committee most respsotfully pointed out that it was not a mere fetish. The Committee thought that the present tampering with the measure of value by the Government of India vitiated all contracts between debtors and creditors made during the past 30 years, and as such it deserved condemnation.

Proceeding further, the Committee stated that they noted with a certain amount of relief that part of the Finance Member's speech in which he said that Government had no desire to see in present circumstances a further rise in exchange from 1*s*. 6. and 3-16*d*. which was approximately the upper gold point if exchange were to be stablished at 1*s*. 6*d*. The Committee expressed the feeling of gratification at the assurance and stated that they would be glad to have a clear pronouncement of Government policy that they did propose to put exchange down again as soon as there was a fall in world price in order that the interests of the producer might be safeguarded.

100. Interview with the Financial Commissioner of Railways:

The Committee had an interview with Mr. G. G. Sim,

C.I.E., I.C.S., Financial Commissioner of Railways, on Saturday, the 27 June 1925, when, certain questions relating to Indian Railways were discussed.

101. INTERVIEW WITH THE DIRECTOR GENERAL OF COMMERCIAL INTELLIGENCE AND STATISTICS.

(Vide Item No. 59.)

102. Interview with the Hon'ble Sir Charles A. Innes, Member for Commerce and Railways, Government of India:

The Committee had an interview with the Hon. Sir Charles Innes, Member for Commerce and Railways Government of India on 6th November 1925, when certain subjects relating to his department were discussed.

(i) GENERAL

103. Employers' Delegate :

The Committee sent a letter to the Government of India, Department of Industries and Labour, drawing their attention to the communique which appeared in the press inviting suggestions for nomination of a delegate to the forthcoming 7th session of the International Labour Conference. The Committee suggested the name of the Honourable Mr. Phiroze C. Sethna as Delegate of Employers at that Conference.

104. Employers' Delegate to the 8th and 9th Sessions of the International Labour Conference, 1926 :

A letter was received from the Government of Bombay forwarding, for information of the Committee, a copy of a press communique issued by the Government of India regarding the above for the Chamber's compliance therewith. The Committee in reply informed the Government of Bombay that they nominated Mr. Narottam Morarji Goculdas, Chairman of the Scindia Steam Navigation Company, Limited, as Delegate of Employers to the 8th and 9th Sessions of the International Labour Conference to be held at Geneva in 1926.

105. 6th International Labour Conference.

A letter was received from the Government of Bombay, General Department forwarding a copy of their Resolution No. 5131 and the draft Convention and recommendations of the Labour Conference for the opinion of the Chamber. The Committee in reply stated:

(1) that they saw no objection to the recommendation regarding the development of facilities for utilisation of workers' leisure:

(2) that they were in favour of bringing about equality of treatment for nationals and foreign workers as regards workmen's compensation for accidents, but were of opinion that the Government should take care that other nations did likewise;

(3) that they approved of the recommendation regarding weekly suspension of work for 24 hours in glass manufacturing processes where tank furnaces were used; and

(4) with regard to the recommendation regarding night work in bakeries the Committee had no views to offer.

106. Fodder Storage Scheme:

A letter was received from the Government of Bombay, Revenue Department, forwarding a copy of a press-note on the above scheme and inviting the opinion of the Chamber thereon. The Government scheme proposed to provide depots under the direct control of district officers in selected Taluka headquarters in the tracts most likely to be affected by famines and to keep these depots stocked with Kadbi by means of contractors who would buy Kadbi in normal years and would maintain in store a prescribed quantity to be delivered to Government at a fixed price in times of scarcity. To avoid depreciation of the stores

of Kadbi the contracts would be made to provide for the sale of 1/3 of the stock every year after the first 3 years so that properly stocked Kadbi would keep in good condition for 4 years at least. Then in times of scarcity there would be in existence easily accessible stores of fodder which could be utilised to keep alive and in good condition the irreducible minimum number of cattle indispensable for the agriculturists' domestic and agricultural requirements. When the depots were established in the heart of Kadbi growing localities storage and transport problems would be easy to solve and the Kadbi would be stored in its natural state and stocks covered in with black soil, thus doing away with the necessity for large godowns ; where, however, long haulage was involved it became important to reduce the Kadbi to lowest bulk before transportation commenced and to this end shedding and baling plants would need to be set up. One had been established at Karajgi in Dharwar district and in the next season it would be possible to gather from the results of its working date which would give definite information as to the cost, etc., of the shedding and baling operations. Difficulties of detail would no doubt arise. Kadbi commanded different prices in the various districts, communication facilities were not the same and it might be difficult to arrange the terms of contracts to be made with the agents who undertook to supply the fodder. These difficulties, however, should not be unsurmountable and Government would be glad to consider any suggestions which might be made by persons who were likely to be able to give practical assistance. The Committee in reply approved of the scheme of the storage of Kadbi in Sotuhern Mahratta country where the cattle would not take under any circumstances to grass and if they were obliged to do so in famine times it would be attended with disastrous consequences. They could not however agree with the proposal that contracts should be made " to provide for the sale 1-8 of the stock every

year after the first 3 years" as this would mean that a large proportion of Kadbi would have to remain stored for 5 years and 6 years. They, therefore, suggested that after the end of the first year 1-3rd of the stock should be sold every year and the same quantity should be renewed every year. This would ensure Kadbi remaining fresh. In the opinion of the Committee a similar scheme should be applied to the storage of grass to meet the needs of the Northern Division and Kathiawar if the Kadbi scheme proved successful as an experiment. The Committee regretted the delay which was caused in sending their views.

107. Imperial Bank of India:

(1) Appointment of Advisory Committee in London:

A telegram was sent to the Government of India, Finance Department, regarding the appointment of Advisory Committee to the Imperial Bank of India in London, asking for the reasons for such an appointment and the authority under which it was appointed. In reply the Committee were informed that the question regarding the appointment of an Advisory Committee in London by the Imperial Bank should have been rather addressed to the Bank than to the Government of India. They were further informed that it did not appear to the Government that the appointment of that Committee by the Imperial Bank contravened any of the provisions of the Imperial Bank of India Act. The Government understood that the Advisory Committee in London had been appointed by the Central Board in order that the London Manager might have the benefit of expert advice in his conduct of the London business of the Bank. The Committee thereupon wrote a letter to the Imperial Bank asking for reasons for the appointment of the Advisory Committee in London as also the exact functions of that Committee and remuneration, if any paid to its members. In reply the Committee were informed that the

information asked for was confidential and as such it would be a breach of duty on the part of the Managing Governor to comply with the Committee's request.

(2) Indianisation of the Bank's Service:

The attention of the Committee being drawn to an advertisement appearing in an issue of the Journal of the Institute of Bankers, London, inviting applications for the Eastern Staff of the Bank, they wrote to the Imperial Bank of India that they would be much obliged if they would be informed under what circumstances that advertisement had been inserted in the Journal above referred to. The Bank could not be unaware of the policy of Indianisation of all the services adopted in the land and also of the number of qualified Indians available for the service in the Bank. The Committee deeply regretted that attempts should be made to recruit men from outside India while local talent was available. In reply the Committee were informed by the Managing Governor of the Bank that in the memorandum of information for candidates for staff appointments in the Bank para 3 it was laid down that " applicants must have at least 3 years training in one of the wellknown British Bank if they had no University degree and not less than 2 years training if they had a degree from one of the recognised Universities of Great Britian or Ireland."

And further stated that he would be glad to discuss with the Committee the subject. The Committee in reply stated that they expressed their regret that they could not approve of the recognition by the Imperial Bank of training only in British Banks. The Committee asked whether American or Continental methods of banking were not inferior to British banking methods and if so whether any training which a young man might receive in any one of good American or Continental banks need be considered as inferior to what he might receive in any British bank. The Committee also pointed out that

admission as apprentices to British banks was extremely difficult, if not impossible, and if training in British banks only were recognised it would mean rejection *ipso facto* of all Indian candidates and in the absence of any efforts on the part of the Imperial Bank to facilitate admission of Indian apprentices in British Banks it was futile to make training in a British bank a condition for employment in the Bank. The Committee were not even then satisfied with reasons given in the letter of the Bank. They further stated that they would be glad to see the Managing Governor of the Bank on Monday the 16th March 1925 to discuss with him the subject. Consequently the Committee had an interview with Sir Norcot Warren, Managing Governor of the Imperial Bank of India when the question of Indianisation was discussed fully and a memorandum giving all facts and figures in this connection was presented by him.

108. Anglo-German Treaty:

The Committee sent a telegram to the Government of India, Department of Commerce, to the effect that they were anxious to know whether action taken by Government to secure India most favoured nation treatment from Germany under the Treaty recently concluded between Great Britain and Germany; if not, they urged immediate action to safeguard Indian interests. In reply the Government stated that in accordance with the general practice of His Majesty's Government, the Anglo-German Treaty contained a clause covering most favoured nation treatment for Indian goods.

109. Half-yearly holiday for Bank accounts:

At the instance of a member of the Committee, the Committee sent a representation to the Government of Bombay, Finance Department, stating that non-declaration of 30th June as a holiday put an additional and heavy work on the staff of

Banks for making half-yearly accounts in consequence of which they were not able to attend their office business properly next day. In view of this they had no objection to 30th June being declared a Bank holiday provided Government found it possible to reduce any other holidays existing for

110. Limitation of Election Expenses.

A letter was received from the Government of Bombay, Legal Department inviting the opinion of the Chamber on the limitation of Election Expenses. The Committee in reply stated that they were of opinion that the maximum limit of election expenses for condidates for the Provincial Council should be fixed at Rs. 5000 and for the Indian Legislative Council and the Council of state at Rs. 7,500.

111 Commercial Education in the Presidency of Bombay : (Vide Item No 108 of the Annual Report of the Chamber for the year 1924):

On receipt of the report of the proceedings of the informal conference held to discuss the question of effecting improvements in the Secondary Commercial Education in the Bombay Presidency, the Committee addressed a letter to the Director of Public Instruction, Government of Bombay, stating that they found from the above report that subjects like the Indian system of book-keeping and Indian banking were not proposed to be included in either the compulsory or voluntary subjects of the examinations. They were strongly of opinion that if the scheme proposed by Government was to be at all useful to the Indian business community it must provide for subjects like Indian Accountancy and Indian Banking. They were also of opinion that the medium of instruction for some of these examinations might well be one of the vernaculars. The Committee hoped that these suggestions would be incorporated in any decisions which might be arrived at by Government ;

as otherwise they would be obliged to go on with their original idea of holding Commercial examinations under the auspices of the Chamber. In reply the Director of Public Instruction stated that he had already included Indian Banking as optional subject in the proposals which he had submitted to Government. Under compulsory subjects he had put elements of book-keeping but he had not specifically mentioned Indian Book-keeping as an alternative. It was pointed out that the course proposed was pre-vocational rather than vocational. Finally he stated that he would be glad to discuss the question with the Committee at any time. The Committee accordingly had an interview with Mr. Hasketh, Deputy Director, on Saturday the 4th April 1925. It was suggested to him that Indian Banking on modern lines should be included in the syllabus and that instruction in all subjects should be imparted in Gujerati as well as Marathi. The Deputy Director was of opinion that it was possible to hold examinations in vernaculars but not possible to impart instructions in vernaculars.

He added that the different commercial institutions should be left to impart education in vernaculars. He doubted as to whether subjects like Commercial Arithmetic, Commercial Geography, Book-keeping, etc., could be taught in vernaculars. Prof. Shah replied that all subjects except English could be taught in vernaculars only if the schools so desired. The Deputy Director stated that he would discuss the matter with the Principal of the Secondary Training College and let the Committee know his opinion.

112. Bombay Port Trust—Appointment of Chairman.

A letter was addressed to the Government of Bombay Marine Department, expressing the views of the Committee on the necessity of the Bombay Port Trust having an Indian Chairman for its Board of Trustees. The Committee stated

that during all the time that the Port Trust had been in existence there was not a single occasion on which an Indian was appointed to the position even in an acting capacity. A Chairman was generally recruited from either engineers or civilians. What the Committee felt was that the Chairman of a body like the Port Trust should be essentially a financial man with commercial and business experience, as the Port Trust was after all a huge business concern and it could only be run on the best lines when its administration was conducted on what might be called "business lines." They believed that Indians with necessary capacity for organisation and administration of such a large body as the Port Trust, were certainly available. If the Government felt that it was not necessary to have a businessman or a financial man, they could appoint an Indian with large administrative, organising or engineering experience. They were of opinion that under any circumstances an Indian should be appointed as Chairman of the Port Trust. The Committe also drew the attention of the Government to the resolution of the Hon Mr. Phiroze C. Sethna on the Indianisation of the Port Trust Service accepted by the Council of State. Unless the Government took a bold step in consonance with the wishes of the business community and the public at large as expressed in that resolution there would be no near possibility of their Indianising the Port Trust Services. A Chairman of the Port Trust had got large and wide powers and an able Indian would be able to impress his personality on the general administration of the Port Trust with the result that the Indianisation of the Port Trust Services might be accelerated. Patrons of the Port Trust were Indian businessmen and merchants to a large extent and it would be but fair and just to that class that there should be one at the head of the administration who was familiar with the Indian point of view. In conclusion the Committe hoped that their suggestion would be

accepted by the Government. In reply the Committee were informed that the Trustees of the Port of Bombay, who included representatives of the Indian Merchants' Chamber, had passed a resolution *nem con* asking the Government to appoint Mr. W. H. Neilson as Chairman of the Port Trust. They therefore regretted that they were unable to grant the Chamber's request. The letter was recorded.

113. Dadabhoy Naoroji Centenary:

A letter was received from the Secretary, Rathestra Mandal, Bombay, requesting the Committee to join in the celebration of Dadabhoy Naoroji Centenary. The Committee informed the Mandal that they regretted they could not see their way to join in the movement.

114 Publication of Twice Weekly Crop Reports in the Bombay Daily Weather Report:

A letter was received from the Director of Agriculture, Bombay Presidency, with a copy of a letter to him from the Director-General of Observatories, Simla, enquiring whether the Chamber would contribute towards the expenses of publishing the above reports which gave prompt information for all provinces of India about cotton and other commercial crops twice weekly. In reply the Committee informed him that they were surprised to read in the letter of the Director-General of Observatories to him that "provision of information about crops is outside the range of our activities." The Government of India had their Commercial Intelligence and Statistical Departments, Meterological Department, all of which while they had some interest direct or indirect for the business community were at the same time of great interest to the community as a whole. It was now considered a part of the function and duties of the State to provide such imformation and they were of opinion that such a provision by the State was not only conducive to the interest of

the business community but also of the general public. Inclusion of the twice weekly crop reports did add to the popularity of the Bombay Daily Weather Report but Government were not justified in thinking that such an inclusion was beyond their purview and was made only in deference to the wishes of the business community. As far as the Committee could judge from his letter and its accompaniments, Government wanted only Rs. 1,500 to meet the expenses of the inclusion of the crop reports. It was surely carrying the cult of retrenchment a little bit too far for the Government to say that they could not afford that paltry sum where the information was of vital interest to the public as it must be in this predominently agricultural country that anything happened to the crops had such an important bearing on the well-being of the population, as a whole. Under the circumstances, the Committee were strongly for the continuance of these twice weekly crop reports and thought that the cost of the same which was quite insignificant should be borne by the Public Revenues.

115. Venereal Diseases:

A letter was received from the Chairman of the National Council for Combating Venereal Diseases, London, to the effect that the public attention in most countries had been drawn of recent years to the great incidence of venereal diseases and the serious and far-reaching consequence which they entailed on the individual and the race. An enquiry was made some years ago by the Council of the Countess of Dwilvrin's Fund into the prevalence of venereal diseases in India and considered opinions were collected from a number of medical practitioners in different parts of the country; men and women, Indian and European, stating that the prevalence of the diseases was extremely high both among men and women and was the cause of many deaths, much general ill-health, much sterility and a large infant mortality. The Committee were

requested to contribute towards the funds required for propaganda purposes. The Committee after thanking him for the courtesy with which they were addressed informed the Chairman of the Council that they regretted that the Chamber as a body had no funds from which any contribution could be sent and that the present acute depression in trade and industries made it impossible for any funds however small to be raised by the business community which again had to respond to urgent calls for help which were features of Bombay life. Under these circumstances they regretted that they could not do anything in the matter.

116. Executive Council of the Government of Bombay:

The Committee addressed a letter to the Chief Secretary to the Government of Bombay stating that they had learnt that there were going to be two vacancies in the Executive Council of the Government of Bombay. The Committee requested Government to be pleased to take advantage of that opportunity and to make an appointment only to one of the two vacancies and letting the other to remain unfilled. They were led to urge that course on the attention of the Government mainly because of reasons of retrenchment. The colossal increase in the expenditure of the Government of India during the war period and the period following soon after it accompanied as it was from 1920 onwards by terrible depression in trade and industry snapping away the sources of revenues made both the Government and the representatives of the people keenly alive to the necessity for a drastic retrenchment and it was that which led to the appointment of the Inchcape Committee. Even the reduction of one such highly paid appointment would not mean a slight retrenchment as an economy of at least Rs. 75,000 would be effected with the salary of the Honourable Member, if travelling allowance and staff were taken into account. Before the Reforms there were there

members of the Executive Council and the work done by them and H. E. the Governor was now being done by four Executive Councillors and three Ministers. A reduction of one in the number of the Executive Council therefore, in the opinion of the Committee, might be safely effected without impairing effeciency. Under those circumstances the Committee hoped that the Government of Bombay would be pleased to accept their suggestion and to keep one of the Executive Councillorships vacant.

117. Vice—Presidentship of the Chamber.

On receipt of resignation from Mr. S. R. Bomanji, of the Vice-Presidentship of the Chamber, Mr. B. F. Madon was duly elected as Vice-President of the Chamber.

118. Durban Immigration.

A letter was received from a member of the Chamber drawing the attention of the Committee to the refusal of the Immigration Officer of Durban to issue him a permit for Durban and other places and asking the Committee to do the needful in the matter. The Committee in reply asked the member to refer to the Imperial India Citizenship Association and the British Indian Colonial Merchants' Association, Bombay, in the matter.

119. Public reception to the Hon. Mr. V. J. Patel.

A letter was received from the Secretary, Bombay Provincial Congress Committee, regarding the public reception to be given to the Honourable Mr. Vithalbhai J. Patel, President of the Indian Legislative Assembly on his arrival in Bombay, on Friday the 25th September 1925 and asking the Committee if they would join it. The Committee informed him that they expressed their gratification at the election of the Hon. Mr. V. J. Patel as President of the Assembly. As regards

their joining in the public reception they informed him that the Chamber had never taken part in such demonstrations and regretted therefore, they could not take any part in it.

120. Scale of Travelling expenses and subsistence allowances payable to witnesses:—

A letter was received from the Buyers and Shippers' Chamber, Karachi, enclosing copies of their correspondence on the above subject with the Court of the Judicial Commissioner of Sind. It appeared from the above correspondence that in the opinion of the Buyers and Shippers' Chamber the scales, which were fixed in 1880 were no longer suitable and that there should be no discrimination between merchants and gentlemen of rank and status of different races. The Committee were requested to move the Bombay High Court on the point, as it was presumed by the Buyers and Shippers' Chamber that the ruling at Bombay was practically the same as at Karachi. The Committee in reply stated that they had examined the Schedule relating to such allowances under the Bombay High Court Rules in which there did not appear to be any racial distinction. In reply the Buyers and Shippers' Chamber forwarded a copy of the Karachi scales and the Committee have supplied the Buyers and Shippers' Chamber with a copy of Bombay scales.

121. Delivery of Ordinary Telegrams:

A letter was received from the Post Master General, Bombay stating that at present the delivery of ordinary telegrams at places with telegraph offices open all the 24 hours extended between 6 a.m. and 11 p.m. As however 11 p.m. had been represented to be rather too late an hour to send out ordinary telegrams it was proposed to close the delivery of such telegrams at 10 p.m. He enquired if the Chamber had any objection. The Committee in reply, stated that they had no objection to the above proposal.

122. Chamber's representation on the Indian Central Cotton Committee.

A letter was received from the Indian Central Cotton Committee stating that the Chamber's representative, Sir Purshotamdas Thakurdas Kt., C.I.E., M.B.E., M.L.A., retired from March 31st, 1925, according to Rule 3 of the Rules of the Cotton Committee and requesting the Committee to suggest the name of their representative at an early date. The Committee nominated again Sir Purshotamdas Thakurdas as their representative on the Indian Central Cotton Committee.

As Sir Purshotamdas Thakurdas resigned from that body the Committee nominated Mr. Lalji Naranji in his place

123. Election of Chamber's representative on the Bombay Port Trust from the Cotton section of the Cahmber:

Sir Purshotamdas Thakurdas, the representative of the Chamber on the Port Trust from the Cotton section of the Chamber having taken six months' leave of absence, Mr. Mathuradas Vussanji Khimji, J. P., was duly elected in his place.

124 Chamber's reprecentative on the Advisory Committee to the Royal Institute of Science.

As Sir Purshotamdas Thakurdas, the Chamber's representative on the above Committee having resigned his seat on account of his work in connection with the Royal Commission on Currency, the Committee nominated Mr. Kapilram H. Vakil in his place.

Afterwards a letter was received from the Government of Bombay, Education Department, forwarding a copy of the resolution relating to the Advisory Committee of the Royal Institute of Science and asking the Committee to communicate to the Government before the 15th December the name of the gentleman who should represent the Chamber for the next three years commencing from 1st January 1926. The Committee re-nomi-

nated Mr. Kapilram H. Vakil as their representative on the above Committee for the next three years, from January 1926.

125. Chamber's representative on the Executive Committee of the Medical Relief Committee, Bombay:

The Committee being asked by the Hon. Secretaries, of the above Committee to nominate one member to represent the Chamber on the same, informed them that the Hon'ble Mr. Piroze C. Sethna would represent the Chamber on the Executive Committee of the Medical Relief for Bombay.

126 Representation of commercial and industrial interest on the Senate of the Bombay University:

A letter was received from a member drawing the attention of the Committee to the several recommendations of the University Reform Committee regarding the advancement of Technological studies by creation of a Faculty of Technology of the University. It was stated therein that the special representation should be made to the Chancellor of the University requesting him as a special measure to allow the Chamber to nominate five Fellows during the next year on the Senate to look after the commercial and industrial interest. The Committee thereupon wrote to the Registrar of the University of Bombay to the effect that up till now the University of Bombay had remained to a large extent aloof from the industrial and commercial life of the City and the Presidency. In view of this fact the Committee strongly urged that the time had now come when commercial and industrial interests should no longer be left without adequate representation on the Senate of the University, and requested H. E. the Chancellor of the University of Bombay to nominate atleast five Fellows of the University on the recommendation made in that behalf by the Committee of the Chamber.

127. Representation of Sugar Merchants, Association on the Committee on the Chamber and the Bombay Port Trust :

A letter was received from the Sugar Merchants' Association urging the need for their representation on the Committee of the Chamber and the Bombay Port Trust. The Committee in reply regretted that they could not take action on the lines suggested in the resolution of the Association. They, however, observed that the matter would be considered at another suitable time. A second lettter was received from the Association requesting the Committee to reconsider their proposal. The Committee in reply regretted that they had nothing to add to their previous letter.

128. Appreciation of Mr. B. F. Madon's services in connection with the Royal Commission in Indian Currency and Exchange.

The Committee sent a resolution passed by them to Mr. B. F. Madon placing on record his eminent services not only in preparing a very lucid statement on behalf of the Chamber to be placed before the Royal Currency Commission, but also in having given his oral evidence to substantiate that written statement.

129. Stoppage of permits for all Indian visiting ships at African ports by B. I. S N. Co :

A telegram was received from the Indian National Association, Zanzibar, drawing the attention of the Committee to the above stoppage by the Shipping Company and requesting them to do the needful in the matter. The Committee addressed the Bombay Agents of the Shipping Company asking them as to the real facts stated in that telegram and the reasons which led to the adoption of that course by the Company. The Committee were informed that the Company had found it necessary both in the interests of themselves and their passengers

to restrict the number of visitors at all ports and visitors were now only allowed on the Companies' African steamers when there were special reasons which necessitated their presence on board. They added that they had cabled to their Zanzibar agents to use their discretion in regard to the issue in such cases as those in which women were travelling unaccompanied. There had never been any intention on their part of discriminating between European and Indian passengers. The Committee thereupon wrote to the Agents of the Shipping Company to the effect that they appreciated the Company's statement that there had never been any intention on the part of the Company of discriminating between European and Indian passengers, but they drew the Company's attention to the fact that while a European lady would not mind going alone on board and would not stand in need of any male members of her family to see her off, an Indian lady would be practically stranded without such assisance. The Committee, therefore, desired that action in such cases should not be left to the discretion of their agents there but explicit instructions should be sent to them to issue passes in all cases in which women were travelling unaccompanied. The Committee felt sure that the Company would kindly respond to their demand. In reply the Committee were informed that the Company could not see their way to issue explicit instructions to all agents to issue pasass in all cases in which women were travelling unaccompanied as each case must be considered separately. The Company had, however, requested the agents on the African Line to issue passes in such cases whenever circumstances permitted. The Committee thanked the agents of the company for the action taken by them but added that the action taken was not sufficient and therefore requested them to be good enough to issue instructions to their agents that at least one visitor's pass should be given in all cases in which

an Indian lady or ladies were passengers and wanted either to go on board the steamer or to get down from the steamer. The Agents in reply regretted their inability to comply with the Committee's request.

130. Extinguishing lights in tram-cars at Terminal.

The attention of the Committee having been drawn to the practice followed by the employees of the Bombay Tramway Company of extinguishing lights in tram-cars as soon as they reached terminus stations, they wrote to the Chairman of the Board of directors of the Company drawing his attention to the inconvenince caused through that practice, specially to ladies of respectable families who had to suffer sometimes a deal of annoyance and stand in danger of being insulted by some badmashes taking advantage of the situation. They requested him to be good enough to issue orders to stop the practice referred to above. In reply the Committee were informed that a general order had been issued that the starters at all termini should see that the lights of tram-cars were not extinguished until all passengers had alighted.

131. Stoppage of Publication of Abbreviated Telegraphic Address of the Public:

A letter was received from the Director General of Posts and Telegraphs stating that his Department had been put to a heavy loss by the publication of the above list yearly with a half-yearly supplement. The question of making over the publication to a private agency was taken into consideration lately and principal printing firms were addressed in the matter but none of them agreed to undertake the work. As the publication was not paying, it was intended to stop its publication. The Committee were asked to give their views thereon, and they informed the Director General that they

apprehended that the stoppage of its publication would be very inconvenient to the commercial community and they therefore disapproved of the above suggestion and hoped that the list would continue to be published as usual in future.

132. General Meeting of Chamber :

Three Quarterly General Meetings were held during the year and a Special General Meeting was held on 5th November 1925 regarding the Chamber's evidence before the Royal Commission on Indian Currency and Exchange.

The resolution re : the boycott of Royal Currency Commission was thrown out by an overwhelming majority.

133. Death of Queen Alexandra :

The Committee sent a telegram to H. E. the Governor of Bombay requesting him to convey to the Secretary of State for India the Committee's message of sincere condolences and heart-felt sympathy in the present bereavetment of His Majesty the King Emperor and the Royal Family.

134. Death of Deshbandhu C. R. Das :—

On receipt of the sad news, of the death of the late Deshbandhu Chitta Ranjan Das, the Committee sent a telegram to Mrs. C. R. Das expressing their profound sorrow, at the untimely death of Deshbandhu Das. It was stated that the country had lost in him a devoted, and patriotic, leader who had shown rare traits of leadership, self-sacrifice and organisation. The Committee offered Mrs. Das their most sincere condolences, in her sad bereavement.

135. Death of Mr. Motilal Vallabhji :

The Committee wrote a letter to Mr. Dwarkadas Vallabhji

conveying their deep sense of the loss the business community in general and this Chamber in particular had suffered through the death of his brother Mr. Motilal Vallabhji. He was connected with the Chamber since its very inception and was a member of the Committee for a long time. He had rendered valuable servics to the Chamber and the Committee put on record their appreciation of his services.

136. Death of Mr. Ahmedbhoy Currimbhoy:

The Committee sent letters of condolence to Sir Currimbhoy Ebrahim, Bart, Sir Fazulbhoy Currimbhoy, Mrs. Ahmedbhoy Currimbhoy and Mr. Hussoinbhoy Ahmedbhoy Currimbhoy conveying their sincere and heart-felt condolence and their sense of deep sorrow on the death of Mr. Ahmedbhoy Currimbhoy which they considered was a great loss to the Indian commercial community.

137. Musjid Departmental Telegraph Office:

A letter was received from the Government of Bombay, Revenue Department, regarding the conversion of the Bombay Musjid Departmental Telegraph Office into a combined Post and Telegraph Office and requesting the views of the Chamber thereon. In reply the Committee stated that they had no objection to the proposed conversion of the said office.

138. Indian Science Congress:

A letter was received from the Hon. Secretaries of the above Congress requesting the Chamber to make some donation towards the local expenses of the Indian Science Congress which was to be held in Bombay in January next. The Committee, thereupon, resolved to make a donation of Rs. 100 to the Congress.

139. Membership of the Chamber.—

There were at the end of the last year 466 members. During this year 30 have joined and 48 have discontinued their member-

ship, out of whom 29 resigned, the names of 11 were struck off under the rules of the Chamber on account of their subscription having remained in arrears for more than one year, 5 closed their business and 3 members died, leaving at the end of the year 448 members.

140. Blance Sheet :

The Balance sheet of the Chamber audited by the Chambr's auditor Mr. Devidas Vithaldas is appended herewith.

133683

THE INDIAN MERCHANTS' CHAMBER.

Statement showing Income and Expenditure Account from 1st January 1925 to 31st December 1925.

EXPENDITURE.	Amount	
	Rs. a. p.	Rs. a. p.
To Office Establishments, Rent, Insurance, etc.		23,330 9 0
„ Postages and Telegrams		900 10 0
„ Miscellaneous Expenses		178 2 0
„ Subscriptions to Newspapers & Journals		1,080 2 8
„ Stationery		667 5 0
„ Printing Chamber's Reports and Representations		3,605 2 0
„ Printing Chamber's Quarterly Journal		1,758 10 0
„ Commission on Advertisements		68 1 4
„ Carriage Hire		253 13 6
„ Chairs Hire		123 0 0
„ Auditors' Fees		100 0 0

„ Removal of Office				289	12 0
„ Furniture				180	0 0
„ Tour Expenses (Mr. J. K. Metha)				356	0 0
„ Bank Commission				1	0 0
„ Books Binding				166	4 0
„ Donation (Indian Science Congress)				100	0 0
„ Bad Debts (Coin destroyed by Bank)				1	0 0
Cash and Investments.			Total ...	33,159	7 6
Port Trust Bonds at cost	2,025	0 0			
6½ % Loan. (Bombay Development)	5,000	0 0			
Capital Fund (Central Bank of India)	6,100	0 0			
Cash with Central Bank of India	6,321	13 2			
Cash with Bank of India	5,088	14 5			
Cash on hand	48	2 1			
				24,583	13 8
			Grand Total...	57,743	5 2

J. K. MEHTA,
Secretary.

PHIROZE C. SETHNA,
Chairman.

INCOME.	Amount.				
	Rs. a. p.			Rs. a. p.	
By Balance brought forward				18,822 2 2	
Capital Fund Account					
30 New Members at Rs. 100	3,000 0 0				
2 Payment received in advance of 2 members with new application forms at Rs. 100 each	200 0 0			3,200 0 0	
Membership subscription.					
371 Town Members at Rs. 75	27,825 0 0				
43 Limited Companies at Rs. 100	4,300 0 0				
23 Mofussil Members at Rs. 25	575 0 0				
13 Associations at Rs. 125	1,625 0 0				
Outstanding subscriptions realised	2,950 0 0				
	37,275 0 0				

Less subscriptions outstanding	Rs. 2,225 ...			
,, Last year's bad debts of 17 town Members at Rs. 75	Rs. 1,275 ...			
1 town Member at Rs. 100	Rs. 100 ...			
		3,600 0 0	33,675 0 0	
Payment received in advance of 2 members with new application forms, at Rs. 75			150 0 0	
Subscriptions to Chamber's Journal			359 10 0	
Advertisements in the above			741 5 0	
Interest on investments and current accounts			721 9 0	
Sale proceeds of members' lists			68 0 0	
,, ,, ,, Annual Reports, 1924			5 11 0	
		Grand Total...	57,743 5 2	

I have examined the above account of Income and Expenditure with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS,

Auditor

(A) RAILWAYS AND SHIPPING.

(A) RAILWAYS.

APPENDIX 1.

PACKING CONDITIONS.

(*Vide Chamber's report 1924 pp. 110-1*).

No. 3384-29, dated 8th January 1925

From the Secretary, Indian Railway Conference Association Allahabad, to Chamber.

In view of representations received objecting to the revised packing conditions for piece-goods booked by rail the introduction of these conditions has been postponed until the 1st April in order that the question may be discussed with representatives of the interests concerned. It is proposed to consider the matter at the next meeting of the Traffic Committee of the Indian Railway Conference Association which will be held next month in Calcutta and I am to request that you will notify the various Associations interested and arrange for them to be represented at the meeting I am to suggest, as accommodation is somewhat limited, that it might be possible for the different Associations interested to send one delegate to represent their views. I am to request that you will let me have the names of gentlemen who will attend.

The meeting will be held at 10-30 a.m. on Friday the 20th February to the head offices of the Bengal Nagpur Railway Garden Reach.

This letter has been addressed to the Chambers of Commerce of Bengal, Bombay, Madras, Karachi, Cawnpore and the Punjab, and to the Indian Merchants Chamber and Bureau, Bombay.

No, T.-87, dated 21st January 1925.

From Chamber, to the Secretary, Indian Railway Conference, Allahabad.

With reference to your letter No. 3384/29, dated the 8th instant, I am directed by my Committee to inform you that Mr. Manmohandas Ramji (Shale Building, 28, Bank Street, Bombay), will represent this Chamber at the meeting to be held in Calcutta on the 20th February 1925 to discuss the revised packing conditions for piecegoods.

No R. G.-11, dated 10th March 1925.

From the Ag. Chief Traffic Manager G. I. P. Railway Bombay, to Chamber.

1, I beg to enclose herewith for your information a copy of Resolution No. 841 of the Traffic Committee meeting held in Calcutta on the 20th February 1925.

2. Kindly acknowledge receipt.

Revised Packing Conditions for Piece-Goods.

Resolution No. 841, Of the Traffic Committee meeting held in Calcutta on the 20th February 1926.

1. After considering the objections received to the proposed packing conditions for piece-goods and hearing the views of the representatives of the Chambers of Commerce and the Mill-Owners' Association present at the meeting, the Traffic Committee recommend that, as regards Indian piece-goods, both press-packed and not press-packed no alterations should, for the time being, be made in the conditions for packing as laid down in the General Classification of Goods, in force prior to August 1924, (reproduced below); and that these conditions be introduced from 1st April 1925 on each railway in addition relating to its local conditions in force prior to August 1925;—

Consignments of bazar-packed bales or piece-goods are accepted at railway risk only when the following conditions are fully complied with, otherwise these consignments are accepted at owner's risk only, under risk note form A :—

(1) Bazar-packed bales of piece-goods, irrespective of size or weight must be tightly secured with iron bands, and the space between the edges of such iron bands must not exceed five inches in width. These iron bands will be secured in two directions round the bales, namely, lengthwise and breadthwise.

(2) The outer gunny covering of the bale must be securely stitched.

(3) Each bale must have the name of consignee and the station of destination clearly painted on it.

2. As regards imported piece-goods, the Traffic Committee recommend that the following conditions should apply from 1st June 1925 :—

Imported piece-goods, cotton or woollen, in bales press-packed.

(1) Must be bound with iron bands and packed in thick paper, then waterproof pitch paper and finally covered with double canvas. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note.

(2) Each bale must bear the name of consignee and station of destination in English or Vernacular, in addition to the private marks required by Rule 18 of the General Classification of goods before it is despatched by rails.

Imported piece-goods, cotton or woollen, packed in boxes or cases.

(1) Boxes or cases must not be covered with gunny and must either be tin lined or the contents must be covered with thick paper and waterproof pitch paper. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note.

(2) Each box or case must bear the name of the consignee and the station of destination in English or Varnacular in addition to the private marks required by Rule 18 of the General Classification of goods, before it is despatched by rail.

No. T.-343 dated 13th March 1925.

From Chamber to the Ag. Chief Traffic Manager,
G. I. P. Ry., Bombay.

I have to acknowledge the receipt of your letter No. R. G.-11, dated the 10th instant with a copy of Resolution No. 841 of the Traffic Committee meeting held in Calcutta on the 20th February 1925.

Report of the Secretary of the Chamber.

In accordance with the special Circular passed by the Committee I attended the meeting of the Traffic Committee of the Indian Railway Conference Association at Calcutta on 20th February 1925 in connection with the proposed new packing conditions. The other Chambers and Associations represented at the Conference were the Bombay Millowners' Association, Bengal Chamber of Commerce, U. P. Chamber of Commerce and the Punjab Chamber of Commerce.

A copy of the finally revised packing conditions were given to members representatives of the Chambers who attended the meeting and there were some changes made in the originally issued rules and regulations and even in the rules and regulations which were discussed with Mr. Bomanji and Mr. Manmohandas Ramji by Mr. Robinson General Traffic Manager of the B. B. & C. I. Railway. All these different changes will be found in the different sets of rules in the packing rules file of the Chamber. The revised rules were not such as to satisfy the commercial community and I spoke strongly against the opportunity being taken by the Railway

companies of enforcing conditions which were never enforced and thus of getting the merchants sign the Railway Risknote Form-A against the very spirit of the Risknote. I emphasised that there should be no reference in these rules of "Waterproof cloth, tarpaulin or other covering capable of keeping out wet.", as such a condition laid down in the rules could be perverted to uses adverse to the interests of the commercial community. Mr. Ryan of the Upper India Chamber of Commerce and Mr. Lewis of the Punjab Chamber of Commerce also criticised the rules adversely. Mr. Wadia, Assistant Secretary of the Bombay Millowners' Association, observed that the present packing of bales by Cotton Mills already fulfilled the condition required by the Railways during the monsoon as the pitch papers etc. used by the mills were calculated to keep out wet.

I opposed this condition with regard to 'Waterproof cloth, tarpaulin or other covering capable of keeping out wet' for being enforced even with regard to Bazar packed bales or bundles of piecegoods. We were informed at the end that the decision of the Traffic Committee will be communicated to us later on. I returned back to Bombay on Monday, the 23rd February 1925.

APPENDIX 2.

CLASSIFICATION OF RAILWAY MATERIALS IN THE SEA-BORNE TRADE RETURNS.

No. T. 341 dated 13th March 1925.

From Chamber to the Director-General of Commercial Intelligence & Statistics, Calcutta.

I am directed by my Committee to address this letter to you re: Classification of Railway materials in the Sea-Borne Trade Returns. My Committee desire to see greater details under the

heading of Railway materials. The details which they want for their use are :

(1) Wagons, (2) Wagon parts on public or private account separately, (3) Locomotives, and (4) Locomotive parts on public or private account separately.

My Committee also request that if this analysis is available and is ready under the present system of collecting figures, you will kindly give a reference to them.

No. 3400/Q dated 30th April 1925.

From Director-General of Commercial Intelligence, and Statistics Calcutta, to Chamber.

With reference to your letter No. T. 341 of the 13th ultimo, I would invite a reference to pages 95 and 127 of the Monthly Accounts relating to Sea-Borne Trade and Navigation of British India.

In view of the fact that carriages, wagons and locomotive are not ordinarily imported whole, it is not practicable, from a Customs point of view, to record the values of whole carriages, wagons, or locomotives separately from their parts.

I am enquring into the practicability of separating wagons from carriages under "Government Stores" as is already done under "private merchandise", and I trust to be able to introduce this change with effect from the current month.

APPENDIX 3.

NON-BOOKING OF SAMPLE PARCELS OF MATCHES ON THE B. B. & C. I. RAILWAY.

20th April 1925.

From the Gujarat Islam Match Mfg. Co. Ltd. to Chamber.

We beg to inform you that we were allowed to book our samples of matches securely packed to different stations by railway parcel throughout India for years past. To our great regret and surprise, the Railway Authorities refused to accept these samples last August which we intended to book to different stations. We therefore at once took up the matter with the Station Master, Ahmedabad, Distric Traffic Superintendent, Ahmedabad and General Traffic Manager Bombay. All of those officers refused to entertain parcels of our matches which hardly weighed about 3 lbs., including the weight of the small packing case, saying that the rules laid down in the Red Pamphlet do not permit of maches being booked by passenger trains. The Railway Authorities quote us para 66 on page 75 of Red Pamhlet No. 5 in support of their refusal to book our parcels. These parcels are securely packed with tarpaulin and zinc lining inside and wooden covering outside. The Railway authorities taking shelter in refusing to book our parcels behind the clause referred to above forget that the rule is not only recently introduced and it was in the Red Pamphlet long before they decided to refuse to accept our parcels. There is not a single occasion when our parcels have been the means of causing any accident. These parcels are not accepted either by goods train due to very light weight or by the postal authories owing to the nature of the contents being inflammable.

You will agree with us, we belive, when we say that the match industry in India is yet in its infancy and if it wants to sell its output in different parts of the country, no new buyers would go in for its manufactures without seeing the quality of the matches turned

out. All the available means of transport either by rail or post are not to be takan advantage of by the Indian industry. Sweden & Japan which are the foremost match manufacturing countries in the world where the match industry is firmly established for several years require facilities to despatch their samples which are willingly granted by their Governments. In Japan, matches can be sent both by post or railway while the Swedish Government allows the booking of samples of matches by railway parcel. To convince you of above statement, we enclose herewith copies of letters* received by us from Osaka Chamber of Commerce, Osaka and Svenska Tandsticks Aktiebolaget, Stockholm (who are the sole manufactures of matches in Sweden) dated 12-12-24 & 3-12-24, respectively.

We have in conclusion to request you to kindly take up the matter in right earnest with the authorities concerned and see that the Indian match industry is allowed to enjoy such a small privilege of having reasonable facilities to send samples of its products to different places which is necessary for its very existence.

No. T 671 dated 20th May 1925.

From Chamber to the General Traffic Manager,
B. B. & C. I. Railway, Bombay.

My Committee have received a complaint from the Gujarat Islam Match Mfg. Co., Ltd. Ahmedabad, that the B. B. & C. I. Railway does not accept securely packed sample parcels of Matches for transmission since August last although such parcels, it is said, used to be booked to different stations by Railway Parcel for years past. Such parcles can be dispatched neither by Goods trains owing to very light weight nor through post, the nature of the contents being inflammable. The match manufacturers have, under the circumstances not a single means left for dispatching their samples to other places which is quite indispensable in the present state of the match industry in this country for the expansion of their business.

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*Letters not printed.

My Committee understand that both in Sweden and Japan, which are the leading match manufacturing countries, samples of matches are allowed to be booked by Railway parcel. My Committee therefore fail to understand why this facility is refused here; and will feel obliged if you will kindly let them know if there are any valid reasons for not accepting such parcels, and if not, to arrange for their acceptance.

No. R. O. 473/22-C 26th May 1925.

From the General Traffic Manager, B. B. & C. I. Railway, to Chamber.

With reference to your letter No. T. 671 dated 20th instant, I beg to refer you to the remarks "not carried by passenger train" printed in column 7 at page 85 of the Red Pamphlet No. 6. I would suggest your addressing the Chief Inspector of Explosives, 11 Council Street, Calcutta, on the subject.

No, T. 869 dated 13th July 1925.

From Chamber to the Chief Inspector of Explosives, Government of India, Delhi.

I am directed to send to you herewith the correspondence which has passed between my Committee and the B. B. & C. I. Railway with regard to the non-acceptance of small sample parcels of matches by the B. B. & C. I Railway for your information and to request you to be good enough to do the needful in the matter.

2. As you will see from the correspondence these small samples were hetherto being carried by the B. B. & C. I. Railway by parcels in passengers trains. Manufacturers of matches have to send these small samples to different places free of charge and cannot afford to get the same packed in boxes of minimum weight of about 10 seers. The parcels for instance that were accepted by passenger trains upto recently were about 2 to 2½ lbs. On account of the restrictions

recently enforced manufacturers of matches have been put to a deal of inconvenience and trouble and my Committee trust that looking to the interests of this important industry you will be pleased to allow the sample parcels to be carried by passenger trains.

No. G. 11 (13) dated 30th July 1925.

From Chief Inspector of Explosives in India, to Chamber.

With reference to your letter No. T. 869 dated 13th July 1925, I have the honour to state that I have now decided to recommend the relaxation of the conditions for the transport of 'Safety Matches' so as to allow of 'sample parcels' being conveyed by brake vans of mixed and passengers trains under certain conditions.

2. A copy of the proposed amendment to the Red Pamphlet No. 6 (Rules and Rates for the Conveyance of Explosives and other Dangerous Goods by Rail) which has been submitted to the Indian Railway Conference Association, Allahabad, and the Railway Board, is enclosed for information.

Copy of proposed amendment to Red Pamphlet No. 6

Against Serial No. 69—Matches Safety—Page 85 of Red Pamphlet No. 6, Column 7' the following may be inserted :—

"Sample parcels of 'matches safety' may be carried by mixed or passenger train under the following conditions :—

1. A sample to consist of one packet, *i.e.* 12 boxes.
2. It shall be packed in a strong wooden box containing an inner case of zinc or tin which shall be hermeticelly sealed. The thickness of the wood of the outer case shall not be less than $\frac{1}{4}$ inch.
3. Not more than 50 sample parcels shall be carried in a brake van at any one time. They shall be placed by themselves and as far away as possible from other goods in the van.

No. 216/24/19, dated Bombay, 7th August 1925.

From the General Traffic Manager, B. B. & C. I. Railway, to Chamber.

With reference to the Chief Inspector of Explosives' letter No. G.-11(13), dated 30th ultimo to your address, the necessary instructions are being issued to the staff to accept sample Parcels of "Safety Matches" for despatch by passenger trains.

APPENDIX 4.

BOOKING OF SAMPLE PARCELS OF BENGAL LIGHT MATCHES BY RAILWAYS.

Ahmedabad, 7th August 1925.

From the Gujarat Islam Match Mfg. Co. Ltd. to Chamber.

We thank you for enclosing us a copy of the letter received by you from Chief Inspector of Explosives bearing No. G-11(13) of 30-7-1925. So far as parcels of Safety Matches are concerned, the reply is satisfactory. It however does *not* mention anything regarding our samples of *Bengal Light* Matches which also required to be carried in the same way as those of Safety matches. Till last year, our sample parcels both of Safety as well as Bengal Light Matches otherwise known as non-safety matches were carried by either mixed or passenger trains. Will you please therefore address the Chief Inspector of Explosives to recommend so as to allow the transport of samples parcels of Bengal Light Matches by mixed and passenger trains ?

No. T.-1172, dated 1st September 1925.

From Chamber to the Chief Inspector of Explosives in India, Explosive Department, Calcutta.

I am directed to acknowledge the receipt of your letter of 30th July 1925, No. G-11 (13), and to convey the thanks of my Committee for your recommending the relaxation of the conditions for the transport of "safety matches" so as to allow of sample parcels" being conveyed by brake vans of mixed and passenger trains under certain conditions. My Committee are informed by manufacturers of matches that your reply covers the case of safety matches. It does not cover the case of samples of what are known as Bengal Light matches samples of which also require to be carried in the samway as those of safety matches. It may be maintained that samples of even Bengal Light matches were allowed to be carried till last year by either mixed or passenger train. Now that restrictions against the carriage of samples of safety matches have been removed by you, my Commitete beg to request you to be good enough to remove similar restrictions in the way of samples of Bengal Light matches also, which will be a great help to the indigenous match manufacturing industry.

No. G.-11(3), dated Calcutta, the 12th September 1925.

From Chief Inspector of Explosives in India to Chamber.

With reference to your No. T./1172, dated the 1st September 1925, I have the honour to state that I am not prepared to recommend any relaxation of the present restrictions covering the transport of Bengal Lights by rail as was done in the case of safety matches.

2. Bengal Light Matches fall well within the category "Matches Non Safety".

APPENDIX 5.

RAILWAY FREIGHT ON NON-SAFETY MATCHES.

No. T. 1174 dated 1st September 1925.

From Chamber to the General Traffic Manager, Madras and Southern Mahratta Railway Madras.

With reference to the correspondence ending with your letter of the 19th January, No. R-1/3394/24, it has been represented by match manufacturers that the concession you were pleased to give regarding acceptance of their consignments on actual weight is to be given effect to only in certain restricted areas in the direction of Madras via Dadar and Raichur. Bengal Light Matches, however, are sent by the manufacturers on this side to several other stations on other parts of your line and all such consignments will still be charged for 20 maunds minimum. Thus, say, a case of Bengal Light Matches weighing a maund is despatched to Hubli. The rates from Ahmedabad per maund of matches booked to Hubli are as under :—

Rs. 1 10 11 from Ahmedabad to Dadar, B. B. & C. I. Ry.
„ 0 10 0 from Dadar to Poona, G. I. P. Railway.
„ 1 13 6 from Poona to Hubli, M. & S. M. Railway.

Rs 4 2 5

If the consignment were to be charged on actual weight, match manufacturing companies would be charged Rs. 4-2-5. My Committee are, however, informed that in this case the Railway will still charge on 20 maunds, in place of actual weight viz. one maund, which in other words means that they must pay Rs. 39-4-11 instead of Rs. 4-2-5. It will be realised that it will be quite impossible for the Indian manufacturer to do business with

stations in the Hubli direction on such terms and the only consequence will be that foreign matches which already enjoy a favourable rate via Madras will secure the whole trade to the detriment of the indigenous industry.

Other railways such as the B. B. & C. I., and G. I. P. the S. I. and the N. W. Railways and others have agreed to carry Bengal Light matches on actual weight on all sections of their lines without confining the booking to certain junctions or stations.

My Committee hope that in fairness to the indigenous industry you will be pleased to extend the same concessions as these Railways do to the match industry on all sections of your line.

No. R. 1/3394/24 Madras dated 19th September 1925.

From Madras and Southern Mahratta Railway to Chamber.

I am in receipt of your letter No. T. 1174 of the 1st instant and to inform you that Bengal Light Matches are classified as "Matches Non-Sefety" in Red Pamphlet No. 6 and according to the conditions laid down, have to be carried in separate wagons and cannot be loaded with other goods. It is therefore necessary when carrying consignments of these matches to arrange for a special wagon and for this reason a minimum of 20 maunds per consignment is charged for.

In the case of traffic from Ahmedabad in the direction of Madras via Dadar and Raichur, the consignments are charged for on actual weight on Mondays as special wagons are arranged to run, the quantity of the traffic justifying such an arrangement.

I am quite prepared to make similar arrangements for this traffice in other directions provided a sufficient quantity of traffic offers.

APPENDIX 6.

TERMINAL TRAFFIC IN BOMBAY.

No 1350 P. Dated the 15th of July 1925.

From Government of India, Railway Department to Chamber.

Your Chamber is, it is believed, already aware that it has been decided to have a thorough investigation made into the Railway Terminal facilities at Bombay and that Mr. C. W. Lloyd Jones, Agent and Chief Engineer of His Exalted Highness the Nizam's Guaranteed State Railway Company, who has undertaken the enquiry, has started on his investigations.

2. I am directed, therefore, to enclose for the information of your Chamber a copy of the Terms of Reference which have been given to Mr. Lloyd Jones. I am to express the hope that he may have the benefit of the co-operation of all who are interested in the trade of Bombay.

3. Mr. Lloyd Jones' address is Taj Mahal Hotel, Bombay.

Terms of reference to Mr. C. W. Lloyd Jones, Agent and Chief Engineer, H. E H. The Nizam's Guaranteed State Railway Company (appointed by the Railway Board) to investigate and report on railway terminal facilities in Bombay.

1. In view of the several development schemes for the improvement of terminal facilities of the two important railway systems which serve Bombay, the Railway Board have decided that it is desirable to have a comprehensive investigation by an independent expert in order that the efforts of the two adminstrations may be co-ordinated with a view to securing for the public the most convenient railway arrangements consonant with cheap fares and charges.

2 It is desired that the investigation should take into consideration the adequacy of the existing arrangements for—

(a) Goods traffic.

(b) Suburban Passenger Traffic.

(c) Long distance Passenger Traffic.

and that a comprehensive report should be submitted with recommendations for improving the present facilities to meet present and future requirements of these several classes of traffic and co-ordinating the work of the two railways and the Port Trust Railway in order that unnecessary overlapping of functions may be avoided.

3. The report should show the results of an examination into the relative advantages and disadvantages of (i) dealing with all long distance Passenger Traffic at Victoria Terminus or (ii) providing a separate terminal for the Bombay Baroda & Central India traffic on the west of the island in the vicinity of Grant Road.

4. As regards Goods Traffic, it is considered that there is at present a good deal of overlapping and duplication of effort which must necessarily result in unnecessary expenditure.

5. The report therefore should deal comprehensively with the requirements of trade in regard to the export and import of various classes of goods and in relation to the supplies needed for local and up country consumption and should suggest measures for obtaining the best possible service either by modifying present systems of working or by re-adjustment of existing facilities.

6, The two Railway administrations will co-operate in the enquiry and will place at the disposal of the investigating officer such staff as may be necessary to assist him in considering the various aspects of the problem.

Dated 21st July 1925.

From C. W. Lloyd Jones Esqr. to Chamber.

Please refer to the Railway Board's letter No. 1330 P, of 15th 1925 deputing me to investigate and report on the terminal facilities

of Bombay. The terms of reference necessitate a consideration of (a) goods traffic (b) suburban passenger and (c) long distance passenger. The present reference to you, is with regard to long distance passenger traffic.

It has been decided to dismantle the B. B. & C. I. Railway from Church Gate to Colaba and in consequence it is necessary to provide a new terminal for B. B. & C. I. long distance trains, to replace the present terminal station at Colaba. Two alternative schemes have been proposed, viz :—

(a) the construction of a new B. B. & C I. terminal station at Bellasis Road near Grant Road.

(b) the diversion of all B. B. & C. I. long distance trains at Elphinstone Road, via the G. I. P., into Victoria Terminus it is intended to alter and extend Victoria Terminus in any case.

It has been contended that very considerable economies will be effected in both capital and working expenses by the second scheme; on the otherhand it has been suggested that Bellasis Road is a more convenient station for the public than is Victoria Terminus and that increased traffic at Victoria Terminus would cause serious congestion to road traffic.

When the 'alterations' to Victoria Terminus, which have been sanctioned, are completed, all classes of suburban traffic will be dealt with in the present main building. The station will be extended to the east ; upper class long distance passengers will use a new station building to the east of the present building and third class long distance passengers will use a third class waiting hall to be built in Hornby Road near the existing third class hall and the old Salvation army building.

I request an expression of opinion as to which of the two proposals for dealing with long distance passenger traffic would best serve public requirements. Under the first scheme all B. B. & C. I. long distance trains would start and terminate at Bellasis Road, whereas under the second scheme all B. B. & C. I. long distance trains would start and terminate at Victoria Terminus stopping at Byculla en route.

No. T. 1036 dated 8th August 1925.

From Chamber to C. W. Lloyd Jones, Esq.,

I am directed by the Committee of this Chamber to acknowledge the receipt of a letter from the Railway Board dated 15th July 1925 No. 1330-P. as also your letter dated 21st July 1925 with regard to the question of terminal facilities of Bombay.

2. The question under reference is not new one and has a pretty old history. So far back as 1904 the Government of Bombay consulted the Bombay Chamber of Commerce (the Indian Merchants' Chamber was not then in existence) with reference to proposals for extension of Railway communication and facilities within the Island. That Chamber was asked among other things "whether through trains for passengers from and to distant stations should be run to and from Victoria Terminus". Among the accompaniments to this letter from the Government of Bombay was a Note by the Consulting Engineer for Railways, Bombay. He deals therein specifically with the suggestion that "there should be one central terminal passenger station in Bombay at and from which all mails, mixed and long distance passenger trains (i.e. all but local and suburban) of both the Great Indian Peninsula and the Bombay, Baroda and Central India Railways shall arrive and depart, and that Victoria Terminus with easy and efficient connection with the new Docks would naturally be this terminal station". My Committee have no doubt that you must have these papers with you but for purposes of easy reference I attach herewith a copy of his Note on this question. It will be seen from this that he was opposed to having all the long distance traffic diverted to Victoria Terminus. The then Agent of the B. B. & C. I. Railway also opposed the project. The Bombay Chamber of Cammerce while favouring the Victoria Terminus as the receiving station for all long distance traffic had to admit that long distance trains should be started from Grant Road as well as Victoria Terminus. They pertinently remarked "But my Committee do not necessarily think that long distance journeys should be started only from the Victoria Terminus, for even at the present time Grant Road on the B. B. & C. I.

Railway is a convenient station and as the City extends to the north, it is likely to become even more convenient and necessary, and trains for long distance journeys might therefore start so far as is found necessary from both centres, uniting presumably at some point to the north."

3. The next stage of the controversy was when in 1907 the Government of Bombay consulted different commercial bodies with reference to the "numerous important schemes for the development of Bombay City and the improvement of communications in the Island." The third question of the questionnaire sent out was. "Is it desirable to adopt the Victoria Terminus for the reception of all main passenger traffic into Bombay?" This question was at that time not considered by itself and was mixed up with the other more or less controversial question as to whether the B. B. & C. I. Railway should be dispensed with from Grant Road. My Committee who were consulted by the Government at the time considered both these questions together. They emphasised the question of the B. B. & C. I. Railway being dispensed with from Grant Road and so their opposition to the suggestion of Victoria Terminus being made the terminus for all the long distance traffic does not come out so properly. Nevertheless even at that time they were opposed to the idea as will be seen from the following replies :—

> "With regard to the questions III and IV, my Committee wish to press upon the attention of the Government the extreme undesirability of terminating the B. B. & C. I. Railway at Grant Road. This question was thoroughly threshed out three years ago and there was consensus of opinion among the Indian permanent residents and the Indian mercantile community against so suicidal a proposal which has not one single point to recommend it unless it be to find room south of Grant Road, for the wealthy classes, on the land that may be thus released, as suggested by the Bombay Chamber of Commerce. That Chamber can hardly

be said to know and understand the wants and requirements of the large native polulation which travels by the B. B. & C. I. Railway, south of Grant Road. No number of electric cars or other means will be able to bring and carry back a large suburban population daily, apart from the one residing in the town itself. My Committee moreover think that the contemplated utilisation of Mahim Woods for residential purposes and the consequent increase of population on that side emphasise the urgency of the retention of the B. B. & C. I. Railway line, as it is, from Grant Road to Colaba. As the termination of the Railway line at Grant Road is bound to necessitate some other mode of cheap conveyance between Grant Road and Colaba in place of the existing railway line, the cost to the public of such double mode of communication can hardly be expected to be equal to that from a through Railway service. This, my Committee submit would be a step not encouraging to the middle or lower classes shifting to the suburbs. For, if these classes are to be induced to live out of the City proper, they are to be expected to do so only if the rents there, plus the fares to enable them to attend their daily places of work, amount to less than the rents they would have to pay in the City. My Committee are therefore sanguinely of hope that so unpopular and impracticable a proposal will find no favour with the Government, as it will lead to no good whatsoever, but, on the contrary, c eate intense popular feeling and expose the Government to the reproach of trying to sacrifice the interests of the bulk of the population for the sake of a small minority.

"Moreover, my Committee think that the G. I. P. Railway is suitable for persons living in the A. and B. Wards only but that persons living in the C. and D. Wards who have got property north of Grant Road and Bandra and who have also to go to the Fort daily, find the present B. B. & C. I. Railway line from Grant Road to Colaba most suitable to their conveniences. It will be causing sheer hardship and extreme annoyance and expense to them if this line is removed."

The opinion of my Committee against the proposal to make Victoria Terminus as the terminus for all the long distance traffic has during all this period strengthened rather than weakened. As the Consulting Engineer for Railways so wisely foresaw in 1904 the City has immensely grown and developed in the north and vast tracts of land which were lying waste or contained almost hopeless slum localities are now thoroughly reclaimed with arteries of communication and sanitary buildings of which any city might be proud. The population of Bombay which was, as all populations of large cities are, conservatively transfixed to certain areas has shown a healthy desire to move from its old moorings to further north in the Island itself and even to suburbs situated north of the Island of Bombay. Crores of Rupees have been spent upon reclamation and development of the northern portion of the Island and suburbs, situated in West Salsette. Schemes of Railway development like quadrupling of the B. B. & C. I. Railway and its electrification are being pushed forward and the effect will be to tempt people to move out to the northern portion of the Island and the suburbs.

4. It will be disastrous for all these projects of development if any step is taken like the proposal to move all the long distance traffic into the Victoria Terminus station, the only effect of which will be to cause considerable inconvenience and annoyance to the travelling public. It will be extremely inconvenient if people residing in Girgaum, Grant Road locality or still further north are put down at Victoria Terminus or even at Byculla on their homeward journey or required to go to that station for any outward

journey. My Committee believe that the Victoria Terminus will have platforms nearing two dozens if the scheme is finally carried out. As the third class waiting hall is proposed to be located on the Hornby Road side it may well be imagined what a long overbridge passengers will have to cross and what will be the cooly hire charged to them. Not only this but there will be a great possibility for confusion for poor and ignorant passengers who may be carried off long distances in the wrong direction if they make a mistake, as happens at times, so far as the information of my Committee goes, with regard to stations like Delhi even at present. Increased cab fares and cooly hire with all the concomitant inconvenience and harassment will be the lot of passengers if the proposed scheme is adopted. Even all this inconvenience and harassment might be tolerated if there were certain tangible compensating advantages, My Committee, however, cannot see any single compensating advantage either to the Railway companies or the travelling public,

5. In this connection my Committee beg to point out almost a similar situation to Bombay existing in Paris where there are the two well-known stations of Gare de Lyon and Gare de Nord. People travelling overland have to tranship from one station to another unless they happen to travel by special trains. Similarly in London there are more than half a dozen terminal stations. Cities like New York in the United States and Montreal in Canada have also similarly more than one terminus station. Extension rather than curtailment of Railway facilities should be the goal of every railway administration and it should be borne in mind that if Bombay has population today of a million and a quarter perhaps in a decade or two it may reach two millions.

6. It need not be pointed out that the bulk of the passengers who are dealt with by both the Railways are third class passengers and that this question of making the Victoria Terminus as the terminus for long distance trains of both the Railways should be looked at and considered mainly from their standpoint. A large

percentage of these passengers are illiterate and ignorant and it may readily be imagined what would be their hardships and troubles if thousands of the B. B. & C. I. Railway passengers are herded together with the passengers which the G. I. P. has already got in the insufficient accommodation which is available there in the third class waiting hall referred to above on the side of the Hornby Road. Not only will they be put to a large expense and greater inconvenience as already mentioned but there will be a great danger from unscrupulous and designing people both of the railway staff and otherwise who will find such a big collection of people a very good vantage ground for their business of fleecing the poor and the ignorant.

7. In this connection, my Committee think that there cannot be less than about 4,000 passengers going by the B. B. & C. I. Railway through trains from Colaba at present within an hour and a half and if all these passengers are asked to be transferred to the Victoria Terminus station which must be dealing with almost a similar traffic at present at night for the G. I. P. long distance trains the congestion will be terrible indeed and arrangements for booking and sitting, etc. will be found entirely insufficient and unsatisfactory. Besides this large number of passengers there are their friends and relations who come to see them off and their number sometimes goes almost to two thousand.

8. The Hornby Road near the Victoria station though a pretty wide road has a very heavy traffic to carry and cannot be expected to cope with such a heavy traffic which the joining of the two railways will mean, specially in the morning and in the evening i.e. at the time of incoming and outgoing trains. The congestion will be specially great when the holiday traffic will have to be handled and my Committee will not be surprised if the problem of handling such a traffic will become impossible to solve.

9. With this increase in population there will also be a heavy increase and development in trade and industries and the time will come within 10 or 15 years at the most when the Victoria Terminus station itself if made the principal terminus for both

the Railways will be found entirely insufficient for the future traffic. The Victoria Terminus station is hemmed in on all sides and cannot have scope for expansion unless towards St. George's Hospital or the Carnac Bridge Goods station of the B. B. & C. I. Railway. Even if the St. George's Hospital is taken over, it would be impossible to deal with the heavy passenger traffic which will be coming up in 10 or 15 years. My Committee do not know if you are aware that even a slice taken away from the Carnac Bridge Goods station of the B. B. & C. I. Railway has resulted in a good deal of inconvenience to the sugar and rice merchants and to the business community generally. There is even now correspondence going on between the business community and the B. B. & C. I. Railway with regard to this very question. It may well be imagined, therefore, what annoyance and inconvenience will be caused to the business community supposing it is resolved to allow the G. I. P. to expand towards tha Carnac Bridge Goods station, giving to the B. B. & C. I. Railway in exchange some portion of the Wari Bunder, for instance, It may not be out of place to remark that this Chamber and several leading trade Associations strongly protested against any idea of transferring any portion of the work being done in the Carnac Bridge Goods station at present to the Wari Bunder. Leaving this out of question, then it will appear clearly that there will be no scope for expansion at the Victoria Terminus station and the Government the Railways and the public will again be confronted with a similar problem as soon as the traffic increases. On the other hand, there is any amount of space near the projected Grant Road Terminus, giving facilities not only on handling the present traffic and for offering different necessary amenities to passengers but also for handling any future traffic which may arise as a result of the development of trade and industries of Bombay and increase in the population of the City.

10. For all these reasons my Committee are strongly opposed to the proposal to have Victoria Terminus station as the terminus for long distance passenger traffic on both the Railways. If the Victoria Terminus cannot thus be made a terminus the only other

alternative is the construction of a new B. B. & C. I. Railway terminal station at Bellasis Road near Grant Road. My Committee accord their approval to this alternative which will provide a natural and logical terminal station to the heavy and important long distance traffic coming by the B. B. & C. I. Railway. It may not be considered out of place to mention that this Railway has recently made many improvements and modifications to suit the convenience of both its long distance and local traffic. Construction of a terminal station near Grant Rood will be the logical culmination of all these efforts at providing necessary facilities and amenities to passengers and if this is done, it will result in giving a big impetus to the movement of the population northward which is, my Committee believe, the end and object in view not only of sanitary reformers but even of the Government.

In case you desire to discuss any of the points raised in this letter with my Committee, they will be glad to do so.

Copy of the Note by the Consulting Engineer for Railways.

10. (I). The next suggestion is that there should be one Central terminal passenger station in Bombay at and from which all mails, mixed, and long distance passenger (i, e, all but local and suburban) of both the Great Indian Peninsula and Bombay, Baroda and Central India Railways shall arrive and depart and that Victoria Terminus with easy and efficient connection with the new Docks would naturally be the terminal station.

In 1903 the number of long distance passengers i, e, exclusive of all local and suburban traffic, booked in and out of B. B. & C. I. Railway, Bombay stations was approximately as follows :

Colab,	55,000
Church Gate	85,000
Marine Lines	164,000
Charni Road	201,000
Grant Road	316,000
Dadar	144,000

(II), It may no doubt be argued that as the B. B. & C. I. long distance passengers have at present no alternative but to use the stations of that Company these figures are not of much value in showing that Victoria Terminus and other G. I. P. stations south of Dadar instead of B. B. & C. I. stations would not equally well serve the convenince of the public. At least one reasonable inference, however, is to be drawn from the figures with the assistance of the map of Bombay. If Victoria Terminus is the most suitable place in in all Bombay for the arrival and departure of long distance passengers, it is natural to expect that the B. B. & C. I. stations in its immediate vicinity would show a heavier long distance passenger traffic than the stations more remote from the G. I. P. Terminus, but what we actually find is that Church Gate and Marine Lines, the two stations nearest to Victoria Terminus and serving the same localities, carried 249,000 against 517,000 carried by Charni Road and Grant Road *i, e,* barely one-half and it is particularly noticeable that Grant Road took a number of passengers far in excess of those taken at any other station, the number here being approximately one-third of the entire number dealt with at the six stations, Dadar to Colaba, inclusive. The conclusion is, I think, obvious that Grant Road and Charni Road, although without the added convenience to passengers attaching to terminal stations, offer facilities to long distance passengers to and from Malabar Hill, Cumbala Hill, Breach Candy, and the districts of Tardeo, Kammatipura, Khetwadi and Chaupati which are not equalled at G. I. P. stations, Byculla to Victoria Terminus and if statistics fail to convince, the personal experience of the numerous residents of Malabar Hill, Cumbala Hill and at Breach Candy will, I think, bring home to them the great convenience of a station at Grant Road some 2½ miles nearer their homes than Victoria Terminus. It also hardly requires demonstration that Colaba and Church Gate are more convenient than Victoria Terminus for the numerous clubs, business premises, shops and residential quarters ever increasing at the southern end of the Fort and on the Port Trust and the City Improvement properties towards Colaba. Not only are the two stations nearer these localities but they are approached by pleasant open roads comparatively clear of traffic.

(III), If the public require it, there is of course no difficulty in attaching to the B. B. & C. I. Mails and important passenger trains through carriages to run to and from Victoria Terminus (as will be done eventually to and from the Deep Sea Pier), but I connot realise what advantage to anyone is anticipated from forcibly confining all long distance passengers in the country to and from the greatest port of India to the G. I. P. group of stations south of Dadar and deliberately denying them the exercise of choice and the continued use of fully equipped stations, the convenience of which has been amply proved by the experience of the last 40 years. The advantage of this summary curtailment of long accustomed facilities needs, I think, very much further demonstration on the part of the proposer before the public can be invited to accept it.

APPENDIX 7.

CLAIMS AGAINST RAILWAYS ON ACCOUNT OF THEFTS.

No. T/1245 dated 12th September 1925.

From Chamber to the Secretary to the Railway Board, Government of India, Simla.

I am directed by my Committee to draw the attention of the Railway Board to the discussion in the Assembly on the 23rd February last on the subject of claims against Railways on account of thefts, etc. The representative of this Chamber had then pointed out the need for an analysis of the claims by quantities so that it could be readily seen whether this evil was increasing or decreasing because fluctuations in prices made it impossible to see this clearly from figures of values alone.

The representative of this Chamber had further suggested that regular statements of (a) the total value of claims lodged, (b) claims

admitted and (c) claims rejected should be submitted by the Agent of each Railway to his local Advisory Committee so that that body may examine them in the light of their own knowledge of local affairs. If these statements then came to the Railway Board with the remarks of such local body it would help the Railway Board in devising means both to control this evil and to remove the causes, if any, of public discontent in the matter of the disposal of these claims.

My Committee will be glad to know what action, if any, the Railway Board has taken in view of the above suggestions of the represantative of this Chamber and whether any instructions have been issued to the Agents of the various Railways to submit statements to their local Advisory Committees as suggested.

No. 278 T. Dated Simla, the 22nd September 1925

From Government of India Railway Department to Chamber.

I am directed to acknowledge the receipt of your letter No, T/1245 dated 12th September 1925 on the above subject, which is receiving attention.

No, 278/T, Dated Simla, the 8th October 1925.

From Government of India Railway Department to Chamber.

In continuation of Railway Board's letter No, 278/T, dated the 22nd September 1925, I am directed to say that statistics of the nature described, showing the numbers of claims lodged, admitted and rejected on all the principal railways, have been received by the Railway Board quarterly since 1924, and railways are being asked to place copies of those quarterly statements before their Local Advisory Committees.

APPENDIX 8.

USE OF INDIAN IMITATION LEATHER CLOTH BY RAILWAYS.

No. D/2209 dated 24th June 1925.

From the Dharamsi Morarji Woollen Mills, Ltd. to Chamber.

As you are aware no doubt, we are the only manufacturers in India of Imitation Leather Cloth which is so extensively used for upholstering purposes.

The Imitation Leathers manufactured by us are in every way as good in quality, feel and finish as the imported ones. The biggest consumers of this stuff are the Railways who annually import large quantities for upholstering their carriages.

We have made a great many efforts to introduce our stuff on almost all the Railways in India but the response from them has been very slow and inappreciable. The Chief Controller of Stores was good enough to recommend our product to some of the important railways and during the past 18 months we have supplied about 14,500 Yds, to East Indian Rly., Eastern Bengal Rly., Oudh & Rohilkhand Rly., Bengal & North Western Rly., G. I. P. Railway, B. B. & C. I. Railway etc.

From the reports we have had (in most cases unofficial) our stuff has proved quite satisfactory and has met with their approbation. This, coupled with the fact that quality for quality, our products are much cheaper in price, should in our opinion, establish their claim for selection for the requirements of the Indian Railways beyond all cavil. Moreover, the Government of India in their enunciation of their policy with regard to the Indian Industrialism have distinctly laid it down that as far as possible every encouragement should be given to the Indian manufacturers, provided, of course, that the

quality and price of the indigenous article compare favourably with those of the imported one. In spite of all this, we have not had much encouragement even from the State Managed Railways.

Sir Purshottamdas Thakordas was good enough to take lot of interest in this matter last year and had some correspondence with the Chief Commissioner of Railways regarding it.

However, as all these efforts have not borne much fruit, we have to request you to take this matter up with the Government and other authorities concerned, in all earnest, and to urge upon them the necessity of giving preference to the Indian made articles with a view to foster the nascent industries of this country. Kindly put this before the Committee.

Thanking you very much.

No. T/867 dated 13th July 1925.

From Chamber to Railway Board.

The attention of the Committee of this Chamber has been drawn to the manufacture in Bombay of imitation leather cloth which is so extensively used for upholstering purposes. Manufacturers of this leather cloth are Messrs. Dharamsi Morarji Woollen Mills, Ltd., and their products are said to be in every way as good in quality, feel and finish as the imported ones. The biggest consumers of this stuff are the Railways who annually import large quantities for upholstering their carriages. It appears that this Company have made several efforts to introduce their products on almost all the Railways in India but the response from them has been slow and inappreciable. The Chief Controller of Stores was kind enough to recommend these products to some of the important Railways and during the past 18 months they have supplied about 14,500 Yards to the East Indian, Eastern Bengal, Oudh Rohilkhand, Bengal & North Western, Great Indian Peninsula, and the Bombay, Baroda and Central India Railways, etc, Notwithstanding this, not much encouragement is coming even from the State-managed Railways.

My Committee discussed the question with Mr. Sim, Financial Commissioner of Railways, when he was here last and he very kindly promised to look into the question himself. It was suggested that Railways required about one year to test this imitation leather cloth. My Committee think that there must be other ways of testing such imitation leather cloth than merely taking up a small quantity for upholstering purposes and waiting for a whole year to see whether it would wear well in comparison with other sorts of imitation leather cloth. In short, my Committee beg to request you to be pleased to give encouragement to this new infant industry of the country as much as possible.

No. T. 866 dated 13th July 1925,

From Chamber to the Chief Controller of Stores, Government of India.

The attention of the Committee of this Chamber has been drawn to the manufacture in Bombay of imitation leather cloth which is so extensively used for upholstering purposes. Manufacturers of this leather cloth are Messrs, Dharamsi Morarji Woollen Mills, Ltd., and their products are said to be in every way as good in quality, feel and finish as the imported ones. The biggest consumers of this staff are the Railways who annually import large quantities for upholstering their carriages. It appears that this Company have made several efforts to introduce their products on almost all the Railways in India but the response from them has been slow and inappreciable. You were kind enough to recommend these products to some of the important Railways and during the past 18 months they have supplied about 14,500 yards to the East Indian, Estern Bengal, Oudh Rohilkhand, Bengal & North Western, Great Indian Peninsula and the Bombay Baroda and Central India Railways, etc. Notwithstanding this, not much encouragement is coming even from the State-managed Railways. My Committee discussed the question with Mr. Sim, Financial Commissioner of Railways, when he was here last and he very kindly promised to

look into the question himself. It was suggested that Railways required about one year to test this imitation leather cloth. My Committee think that there must be other ways of testing such imitation leather cloth than merely taking up a small quantity for upholstering purposes and waiting for a whole year to see whether it would wear well in comparison with other sorts of imitation leather cloth. In short, my Committee beg to request you to be pleased to give encouragement to this new infant industry of the country as much as possible.

No, 2466-S, dated Simla 11th August 1925.

From Government of India Railway Department to Chamber.

With reference to your letter No, T,-866 dated 13th July 1925, I am directed to state that the fact that imitation leather cloth is manufactured by Messrs Dharamsi Morarji Woollen Mills Limited was brought to the notice of the Railway Board last year and the question of the use of this indigenous product by Indian Railways was considered. The matter was referred to all Railway Administrations, which had been offered or had obtained for trial purposes the leather cloth in question, and after due consideration of the replies received the Railway Board came to the conclusion that it was desirable to make a proper trial of the leather cloth with a view to its greater use in future if shown to be satisfactory. Accordingly on 16th September last year, all the important Indian Railways were addressed and requested that the leather cloth in question should be given a thorough trial and a report submitted in due course to the Board. There has hardly been sufficient time yet for the railways to make the necessary trial and report on it.

2, As regards the question of testing the imitation leather cloth, I am to say that, although there may be suitable ways of testing this cloth, such tests can merely be preliminaries to an actual trial under working conditions, and the Railway Board cannot agree that wholesale use should be made of the indigenous leather cloth in question without thorough trial for a period of at least a year.

No. T. 1141 dated 27th August 1925.

From Chamber to the Dharamsi Morarjee Woollen Mills Ltd.

At your instance representations were sent by the Committee to the Chief Controller of Stores and the Railway Board emphasising the necessity of the use of imitation leather cloth manufactured by you by all Indian Railways which are the biggest consumers of this stuff.

A reply to this representation was received from the Railway Board on the 13th instant, a copy of which was forwarded to you on the 14th instant. You must hove seen from the reply of the Railway Board that your imitation leather was referred by them to all Railway administration for trial purposes.

I am now asked by the Committee to request you to kindly supply them with details regarding the purchase of your leather cloth for trial and test purposes by different Indian Railways.

So far the Committee have not received any reply from the Chief Controller of Stores, Indian Stores Department.

No. K. 630 dated Simla 7th September 1925.

From the Chief Controller of Stores to Chamber.

I write to acknowledge, with thanks, the receipt of your letter No. T. 866, dated the 13th July 1925 and subsequent reminder No. T. 1151, dated the 27th August 1925 and to say that a reply will be sent to you shortly.

No. D/3382 dated 12th September, 1925.

From the Dharamsi Morarjee Woollen Mills Ltd. to Chamber.

We are in receipt of your letter No. T/1141 of the 27th ultimo in connection with our Flexoid Leather Cloth and its use by all the Indian Railways and have carefully noted contents.

As desired we have now pleasure in forwarding you details of the purchase of Leather Cloths by different Indian Railways as under.

	Name of Railway.	*Yards Purchased.*
(1)	East Indian Railway }	 22,300
(2)	Eastern Bengal Railway }	
	The orders from above Railways were secured by our Agents, Messrs. Plummer Bros. & Co. Calcutta.	
(3)	Oudh & Rohilkhand Railway	1,700
	The above order was received direct from the Railway Co.	
(4)	Oudh & Rohilkhand Railway	2,500
	The above order was received from the Controller of Stores, Delhi.	
(5)	Great Indian Peninsula Railway	2,200
(6)	Nizam's Guaranteed State Railway	300
(7)	Bombay Baroda & Central India State Railway ...	150
	We are expecting another order shortly for another 500 yards from the above Railway	
(8)	Eastern Bengal Railway	133 Yds.
(9)	The Assam Railways & Trading Co, Ltd. ...	120 ,,
(10)	Gaekwar Baroda State Railway ...	100 ,,
(11)	Bengal Nagpur Railway	75 ,,
(12)	Mysore Railways	60 ,,
(13)	Gondal Railway	65 ,,
(14)	South Indian Railway	100 ,,
(15)	Jagadhari Light Railway	24 ,,

(16)	Bengal & North Western Railway ...	37	„
(17)	Assam Bengal Railway	15	„
(18)	Porbandar State Railway	15	„
(19)	Ceylon Government Railway	13	„
(20)	Bhavnagar State Railway	12	„
(21)	Jodhpur Railway...	12	„

Since writing to you last, you will notice that further supplies were made to some of the above Railways.

We trust the information furnished above will be the means of securing us further large orders from the Railways who have only purchased just a few yards giving it a fair trial on their own coaches.

We shall be glad to furnish you any further information that you may want.

No. K. 630 dated Delhi 22nd December, 1925.

From the Chief Controller of Stores to Chamber.

In continuation of this Department's letter No. K. 630, dated the 7th September 1925, I have the honour to refer you to letter No, 2466-S, dated the 11th August 1925, from the Secretary, Railway Board, to your address, on the above subject, and to say that this Department must respect the judgment of the consumers in the matter and considers that a proper trial of the material is necessary in the interests of all concerned.

This Department will of course continue to interest itself in the development of the leather cloth industry in India, as it has done in the past.

APPENDIX 9.

PROPOSAL TO TRANSFER CERTAIN PORTION OF THE CARNAC BRIDGE GOODS YARD TO G. I. P. RAILWAY.

No. 146 dated 5th February 1925.

From Chamber to Bombay Native Piece-good's Merchant's Association, Grain Merchants' Association, Rice Merchants' Association, Ghee Merchants' Association, Kariana Merchants' Association, Sugar Merchants' Association, Yarn, Copper and Brass Merchants' Association, and Hindustani Native Merchants' Association.

It is proposed to hand over a portion of the Carnac Bridge goods yard of the B. B. & C. I. Railway to the G. I. P. Railway for relieving the congestion of the latter In return a portion of the Wadi Bunder goods yard will be handed over to the B. B. & C. I. Railway. In that case, goods may be accepted for despatch or delivered partly at Carnac Bridge and partly at Wadi Bunder. Arrangements may be made however for receiving and delivering full wagon loads at Wadi Bunder and small consignments at Carnac Bridge. I am directed by my Committee to request you to be good enough to let them know within a week, the sense of your Association as to whether the proposed arrangement is likely to cause any inconvenience or hardship to the trading community of Bombay.

Dated 9th February 1925.

From the Grain Merchants' Association to Chamber.

I am directed by by Managing Committee to acknowledge receipt of your letter No. T-146 of the 5th inst. My Committee

have considered the same and are of opinion that in case of mutual transfer of a portion of Carnac Bridge Goods Yard and Wadi Bunder Goods Yards, there will be part deliveries at both these places and this will cause great inconvenience to the merchants as they shall have to attend at both these places, which means extra staff and expenditure to them. My Committee therefore do not approve of the proposed arrangements and request you to forward this view to the proper quarters.

No. 1981/0255 dated 12th February 1925.

From the Bombay Rice Merchants' Association to Chamber.

I am in receipt of your letter No. T-416 dated the 5th instant informing this Association of the above exchange and the proposed arrangement in connection with the B. B. & C. I. Railway goods traffic by which full wagon loads to be handled at Wadi Bunder and small consignments at Carnac Bridge and inviting an opinion of my Association in respect of this proposed arrangement.

In reply, I am instructed to state that this Association is of opinion that such an arrangement would affect the trade adversely in two ways :—

(*a*) By increasing cost of cartage and labour charges.

(*b*) By increasing congestion at the Wadi Bunder terminal.

Wadi Bunder is at a longer distance from the business centre, consequently the carting expenses in ordinary days would be about two annas per bag more at Wadi Bunder than at Carnac Bridge; and during special season when there is a congestion such increase would be abnormal amounting from eight annas to a rupee per bag. It is notorious that the trade expenses in Bombay have already increased to such an extent as to divert trade to other centres. Any further increase would be almost prohibitive in certain cases.

My Association is not aware of the accommodation that would be made available at Wadi Bunder and therefore cannot speak with

any certainty about the congestion resulting from this proposed arrangement. Even at present, however, Wadi Bunder is often congested resulting in extra charges to the trade. Naturally, however, an assignment of any portion to the B. B, & C. I. Railway would result in more congestion unless a new accommodation is made at Wadi Bunder terminal.

No. 367 dated 13th February 1925.

From Sugar Merchants' Association to Chamber.

With reference to your letter No. T-146 of the 5th inst. I am to say that my Committee do not approve the proposed change of handing over a portion of Carnac Bridge goods yard of the B. B. & C. I. Railway to the G. I. P. Railway and that of the Wadi Bunder goods yard of the G. I. P. Railway to the B. B. & C. I. Railway. They are of opinion that the proposed change will entail lots of hardships to the trading community on account of the part deliveries and despatches at both the places. The part delivery and despatch system that the proposed change will inevitably lead to, will mean a waste of time and a further burden on the Merchants. The promise of separate arrangement for full wagon loads and small consignments is also not acceptable for that will simply make the confusion worse confounded, attended as it will be with all the draw-backs of a dual system.

I am therefore directed to request your Committee to strongly disapprove the proposal under reference in the interests of the trading community.

No. 37 dated 16th February 1925.

From Bombay Native Piece-goods Merchants' Association to Chamber.

Your letter No. T-116 dated the 5th instant, was placed before our Managing Committee and in their opinion the proposed dual arrangement for the discharge and receipt of goods will cause great inconvenience to the trade and especially to the public. It

will entail additional cost to the trade by way of increased cartage by about 4 annas per bale to send goods to Wari-Bunder. Besides the Forwarding Agents will have to engage duplicate staff etc.

The Bombay Trade has to bear heavy charges by way of cartage, other Municipal and Port trust charges and it is feared that any extra burden on trade will tend to divert trade of Bombay to some other convenient Port which factor has to be born in mind before any additional burden is put on.

Our Committee estimate that the proposed dual system will at least cost 6 annas per bale more to those goods which will have to be sent to Wari-Bunder.

Dated 16th February 1926.

From the Ghee Merchants' Association to Chamber.

In reply to your letter No. T. 146, I am directed by my Committee to inform you that the distribution of goods either for despatch or delivery between Wadi Bunder and Carnac Bunder, as mentioned by you is likely to cause much inconvenience to Ghee Marchants. However if the consignments of Ghee coming to Wadi Bunder and Carnac Bunder for delivery or despatch can be so arranged as to effect delivery or despatch of same at one of the above places wholly, it will be very convenient to them. My Committee believe that to distribute full wagon loads and small consignments between Wadi Bunder and Carnac Bunder can do nothing but creating hardships to the Ghee trade of Bombay.

No. T. 229 dated 17th February 1225.

From Chamber to Manmohandas Ramji, Esq.,

With reference to your inquiry as to whether the proposed transfer of a portion of the Carnac Bridge Goods Yard of the B. B. & C. I. Railway for the G. I. P. Railway would cause any inconve-

nience and hardship to the mercantile community of Bombay, I am directed to enclose herewith copies of replies received from six Associations, from which it will be seen that all the Associations consider the proposed arrangement as likely to cause a good deal of inconvenience and hardship and also likely to prove more expensive to the mercantile Community. The Committee of the Chamber agree with these views.

No. R. 52/25/2 dated 8th April 1925.

From the General Traffic Manager, B. B. & C. I., Railway to Chamber.

I beg to send you two copies of the Notice dated 7th April 1925 for the information of Members of your Chamber. Please acknowledge.

NOTICE.

On and from Monday, June 1st 1925, the Outward "full load" section will be transferred from Carnac Bridge to the Alexandra Dock station of the Bombay Port Trust Railway situated in Frere Road which is immediately opposite the Goods Yard Carnac Bridge. No "full loads" will thereafter, be accepted at Carnac Bridge.

This change of locality will, however, in no way alter the existing system that is now followed at Carnac Bridge.

The rates from Alexandra Dock station will be the same as those now in force from Carnac Bridge.

E. TREVOR ROBINSON,

BOMBAY, 7th April 1925. *General Traffic Manager.*

No. T. 517 dated 21st April 1925.

From Chamber to the General Traffic Manager.

'I beg to acknowledge the receipt of two copies of the Notice dated 7th April 1925 regarding the Outward "full load" section enclosed with your letter No. R. 52/25/', dated the 8th instant.

No. 2656 dated 9th June 1925.

From Messrs Manilal Kher and Sequeira Solicitors to Chamber.

We beg to send you copy of a letter we have addressed to the Advisory Committee, B. B. & C. I. Railway, under instruction from our clients, the Mucadums working on behalf of a large number of Merchants of this City. We hope you will take interest in the genuine grievances of our client and send a protest to the Railway. We will be glad if you will favour us with your views in the matter.

Copy of letter of Messrs Manilal Kher and Sequeira Solicitors to the Chairman of the Advisory Committee, to the B. B. & C. I. Railway.

We have the honour to address you on behalf of our clients, Messrs Bhogilal Gopaldas, Purshottam Premji and 64 other Mukadams, working for over 5,000 merchants of this City, Our clients send large quantities of goods of different kinds to up country merchants by the B. B. & C. I. Railway and these are loaded in waggons at Carnac Bunder and sent. Our clients are now informed by the General Traffic Manager of the B. B. & C. I. Railway that the whole of the 'Full Load' section will be transferred from Carnac Bunder to the Alexandra Dock Station of the Bombay Port Trust Railway.

We are given to understand that the Outward 'Full Load' section at the Carnac Bridge has been in use for over 50 years and it is now proposed to transfer it to the Alexandra Dock Station apparently for the reason that the site occupied by the No. 11 siding Carnac Bridge has been transferred to the G.I.P. Railway for extensions in connection with the Victoria Terminus Station.

On a close and minute inspection of the sidings at Carnac Bridge, we gather that there are the following sidings :-

No. 1	siding	'Full	Load'	to	accommodate	about	40 waggons
No. 2	"	"	"	"	"	40	"
No. 3	"	"	"	"	"	20	"
No. 8	"	"	"	"	"	20	"
No. 11	"	"	"	"	"	75	"
Pir Siding		"	"	"	"	40	"
Carnac Siding (Machinery)				"	"	40	"

Out of these sidings, we believe, siding No. 11 will be discontinued from the 1st June 1925.

There are altogether 6 very large and extensive sheds running along these several sidings and out of the said 6 sheds, 4 are ear-marked for loading purposes and 2 for unloading purposes.

We have also seen the proposed Alexandra Dock Station on the Port Trust Railway, which, according to the Notice, is immediately opposite the Goods Yard, Carnac Bridge. On this station, there are only the following sidings :-

No. 1	siding	to	accommodate	about	30	waggons
No. 2	"	"	"	20	"	

There is no shed worth the name at Station, There is one very small existing shed, which we are informed, belongs to the Military Department, and will not be available for use by our clients.

We are instructed by our clients to state that the Alexandra Dock Station is quite unsuitable for the purpose of "Full Load" section as the space occupied by the Station is very limited, and as a result thereof, there will be a terrible congestion of Traffic. The waggons that can be placed on the Alexandra Dock Station every day will, our clients think, be loaded by 10 O'clock every morning. There is only one small Gate to the Station as compared to huge Gates on the present Carnac Bridge. The available space will be insufficient for the incoming and outgoing carts.

Anothere point which is of very great importance to our clients is that if their goods are not loaded into the waggons at Carnac Bridge in the course of the day, the same can be warehoused immediately in the sheds adjoining the siding. No such facility exists at the Alexandra Dock Station and the goods will have to be left in the open and the damage that will be caused to them during the rains will be incalculable.

Our clients will further have to incur the expense of keeping a double establishment one for the Carnac Bridge Section and another for the Alexandra Dock. We may also inform you that a 'Full Load' very often develops into less than 'Full Load'; when disputes arise in the interval, so that goods after being sent to the Alexandra Dock will have to be diverted to the Carnac Bridge and thus cause a great loss to our clients of time, labour and money. Our clients say that this dual system of having one station for 'Full Loads' and another for less than 'Full Loads' is neither workable nor feasible in actual practice. It is absolutely necessary that there should be one site alone for the loading of waggons and the proposed transfer, therefore, will be extremely inconvenient and unworkable.

Our clients are of opinion that the two sidings for empty waggons could be utilised for the loading of waggons and one siding could very well be constructed between the space lying vacant between the shed and the foot path adjoining the tram lines. There are also two coal unloading sidings, which are going to be tranferred to Dadar from the 1st June 1925. These sidings could accommodate over 80 waggons and the same could be converted into loading sidings.

We had written to the Railway Board, Simla and to the Agent, the General Traffic Manager, the District Traffic Superintendent and the Goods Superintendent, Carnac Bunder of the B. B. & C. I. Railway, Bombay, stating all the abovementioned facts and grievances of our clients and sought an interview. This interview we had at the office of the Goods Superintendent at Carnac Bunder, where Mr. Bull and the Manager of the Bombay Port Trust, Railway were present. Our clients stated that they were unable to go to the

Alexandra Docks, unless sufficient sheds, sidings etc., were constructed by the B. P. T. Railway, but the Manager of the B. P. T. Railway refused to do anything in the matter.

We have not yet received any reply from the Agent and it seems the B. B. & C. I. Railway authorities are not willing to continue the present arrangement.

Our clients, therefore, approach your Committee in the hope that you will consider all the grievances of the merchant class as a whole and make all necessary inquiries in the matter and advise the B. B. & C. I. Railway authorities to continue the present arrangement.

Our clients submit that if the Railway authorities insist on the proposed transfer and do not redress their genuine grievances, they will have to consider to divert the Traffic to other Railways and also utilise the services of the Steamers and the Boats. This will, no doubt, seriously affect the earnings of the B. B. & C. I., Railway Company.

We have to request you to ask the B, B. & C. I. Railway authorities to continue the present arrangement at least during the Monsoon and inquire into the matter.

No. T. 771.—Dated 19th June 1025.

From Chamber to the Grain Merchants' Association, Ghee Merchants' Association, the Hindustan Native Merchants' Association, the Rice Merchants' Association the Sugar Merchants' Association & the Native Piece-goods Merchants' Association etc.

I am directed by my Committee to send to you herewith a copyof a letter addressed by a firm of Solicitors on behalf of the uccadums to the Chairman, Advisory Committee, B. B. & C I. Railway, with regard to the new arrangement for receiving full wagon loads at the Alexandra Dock station instead of at Carnac Bunder and to request you to be good enough to let them know the opinion of your Association in the matter.

Dated 25th June 1925.

From the Grain Merchants' Association to Chamber.

I am directed by my Managing Committee to acknowledge receipt your letter No: T771 of the 19th inst. with a copy of the letter addressed by the Muccadams to the Chairman of the Railway Advisory Committee. My Committee are of opinion that the complaints of the Muccadams are quite true and reasonable and the Railway Company, should be requested to put a stop to the new arrangement and continue the old one in the interest of the Bombay as well as the Merchants.

Dated 26th June 1925.

From the Ghee Merchants' Association to Chamber.

I am in receipt of your letter No. T. 771; of the 19th instant and in reply, I am directed to inform you that this Association is in favour of continuing the present arrangement of receiving full wagon loads at Carnac Bridge station, as it is more convenient to the trading community of Bombay, than the proposed Alexandra Dock Station.

I shall thank you to direct the above view of this Association to the proper party.

No. T. 771 dated 19th June 1925.

From Chamber to Messrs Manilal Kher & Sequeira Solicitor.

With reference to your letter No. 2616 dated the 9th instant, I have to inform you that my Committee have invited the opinion of the various trade Associations in the City before proceeding further in the matter.

No. 852 dated 20th June 1225.

From Sugar Merchants' Association to Chamber.

With reference to your letter dated the 19th instant, I have the honour to state that an emphatic protest against the proposed transfer of the outward full load section from Carnac Bridge to Alexandra Dock station on behalf of Mukadams and Merchants of Mandvi locality has already been sent by this Association to the Agent, B. B. & C. I. Railway on the 30th May 1925 which please note.

No. 1258/31 dated 2nd July 1925.

From the Hindustani Native Merchants' Association to Chamber.

With reference to your letter No. T. 771 dated the 19th ultimo, we are directed by our Committee to inform you that the grievances of the muccadams must be viewed as our own grievences and that we should urge the authorities concerned to get them redress.

No. 78 dated dated 10th July 1925.

From Bombay Native Piece-Goods Merchants' Association to Chamber.

I am directed by my Committee to acknowledge the receipt of your letter dated the 19th ultimo, with which you have sent to us a copy of a letter addressed by a firm of Solicitors on behalf of the Mukadams to the Chairman, Advisory Committee, B. B. & C. I. Railway with regard to the new arrangement for receiving full wagon loads at the Alexandra Docks Station instead of at Carnac Bunder and to state in reply thereto that on inquiries they find that the proposed change will cause inconvenience and hardships to Mukadams and will not give any extra accommodation in the existing arrangement for smaller loads which are at present dealt with on a separate Platform than the full load siding.

No. 3037 dated 7th July 1925.

From Manilal Kher and Sequeira Solicitors to Chamber.

We are in receipt of yours of the 19th instant and note with satisfaction that your Committee has invited the opinion of the various trade Associations in the City on the matter.

Kindly let us know whether you have received any replies, and if not, we shall thank you to write to them again to send you an early reply as we wish to write to the Railway Board, Simla in the matter.

No. T. 902 dated 17th July 1925.

From Chamber to Manilal Kher & Sequeira Solicitors

With reference to your letttr No. 307 dated the 7th instant, I enclose herewith copies of the replies received from five Associations. The Committee of this Chamber have also resolved to address the B. B. & C. I. Railway on the subject and a copy of the same will be forwarded to you in due course.

No. T. 914 dated 22nd July 1925.

From Chamber to the General Traffic Manager B. B. & C. I. Railway.

The attention of the Committee of this Chamber has been drawn by the Muccadums working on behalf of a large number of merchants of this City to inconveniences and hardships caused to them by the recent transfer of the whole of the "full load" section from Carnac Bunder to the Alexandra Dock station of the Bombay Port Trust Railway. My Committee do not propose to go into details regarding these contentions as they understand that the Muccadums have already through their Solicitors submitted their whole case to you. My Committee, however, before they addressed you, ascertained the feelings of different trades regarding this

transfer and they find that all the important trades are strongly opposed to it and view it with misgivings. Copies of letters from different trade Associations are herewith enclosed which will show how all of them are opposed to the idea. Under these circumstances my Committee beg to request you to be pleased to cancel arrangement recently put into effect and to revert to the old practice My Committee understand that both Merchants and Muccadums are so averse to the new arrangement that they would rather split up their full load consignments than take them to the new full load section, the Alexandra Dock station of the Bombay Port Trust Railway and they also understand that several of them are so doing. If this is the case then the object for which you have effected the change is not attained.

No. 3461 Dated—24th July 1925.

From Manilal Kher & Sequeira, Solicitors to Chamber.

We have to acknowledge receipt of your letter herein of the 17th July and a copy of your letter to the General Traffic Manager, B. B. & C. I. Railway.

As we did not get any relief at the hands of the Agent, B. B. & C. I. Railway, we were obliged to write to the Chairman, Advisory Committee, B. B. & C. I. Railway. We understand the matter is still under consideration.

We also enclose herewith copy of the last letter herein we have received from the Agent.

We are informed that the Special Officer appointed by the Government of India (Mr. Lloyd Jones) is now in Bombay and we are, therefore, placing our case before him.

We will be glad to receive any futher opinions of Trade Associations in the matter.

Copy of the letter from the Agent, B. B. & C. I. Ry. to Messrs. Manilal Kher & Sequeira, Solicitors.

I am in receipt of your No. 2642 dated 8th June and I very much regret to note that despite my letter No. T. 297 of 28th May 1925 your clients have not given the alternative arrangements, for the "full wagon load" traffic a fair trial, and now lodge a further protest against the action of this administration. As I have already pointed out to you, I am not satisfied that the merchants will suffer the inconvenience they seem to anticipate and would request you to ask your clients again to give the new system a trial

2. I have entered the subject on the Agenda of the next meeting of the B. B. & C. I. Railway Local Advisory Committee as desired, but I would hasten to add that until the orders of the Railway Board with regard to the future facilities for passenger and goods traffic in Bombay, a subject which is now being investigated by a special officer deputed by the Government of India specifically for the purpose, are known, it will be difficult for them to arrive at any conclusion in the matter.

3. In the mean time, I feel sure your clients will see their way to accept the tranfer of this particular traffic to the B. B. & C. I. Railway, at any rate until such time as the orders of the Railway Board are promulgated with regard to the General arrangements for goods traffic in Bombay.

No. R-52/25 dated 28th July 1925.

From the General Traffic Manager B. B. & C. I. Railway, to Chamber.

I have to acknowledge receipt of your letter No. T-914 dated 22nd instant and shall be glad if you can make it convenient to see me, in this connection, at this office during office hours.

Dated 3rd August 1925.

Note of the Secretary of the Chamber.

With reference to the transfer of full load section to Alexandra Dock station B. P. T. Railway I was requested by Mr. Robinson, General Traffic Manager of the B. B. & C. I. Railway to see him personally. I did so and had a long interview with him. He went into all the details and history of the matter. The facts, as he stated, are that only rice and sugar are at present asked to be loaded when in full load from the Alexandra Dock station, B. P. T. Railway and the recent orders do not touch either the loading or the unloading of any other commodity, Mr. Robinson pointed out that the Alexandra Dock station was just opposite to the sheds in the Carnac Bridge and that the only difference is that the carts taking rice and sugar have to go by the Frere Road to the Alexandra Dock station and not through the gates of the Carnac Bridge to the railway sheds, the distance being the same according to him. He has got arrangement to be made for having the gates open to Carnac Bridge Goods Depot which is opposite to the Alexandra Dock station in order that the Mucaddums and the merchants may not have any inconvenience or harassment to traverse over a long distance. To consider this question from this standpoint requires a meeting of representatives of trade Associations concerned on the spot when Mr. Robinson promises to be present either himself or to depute his Deputy Traffic Superintendent who is in charge of the question. I beg to suggest that the Committee of the Chamber should have a meeting on the spot when the whole question can be thoroughly examined into. Representatives of the Committee and the different trade Associations and the Solicitors of the Muccadums may be present at the meeting and either Mr. Robinson or his Deputy Mr. Ball may also be requested to be present. Such a personal discussion will obviate the necessity of a long correspondence which threatens to be triangular viz., between the different trade Associations, the B. B. & C. I. Railway and the Railway Board, without any tangible result so far.

Dated 17th August 1925.

Minutes of the Meeting.

A meeting of the representatives of the Committee of the Chamber was held at the Alexandra Docks Station on Friday the 7th August 1925 at 11·30 A. M. to meet Mr. Ball, Traffic Superintendent, B. B. & C. I. Railway, and Mr. Mearns, Manager of Bombay Port Trust Railway. The following were also present on invitation of the Committee, Mr. Sequeira, Solicitor of Messrs. Manilal Kher and Co. representing the Muccadums and some Muccadums. The following representatives of the Committee were present :—

The Honourable Mr. Phiroze C. Sethna (President,)

Mr. Kaikobad Cawasji Dinshaw.

Mr. Vithaldas Damodar Govindji.

Mr. Mathuradas Kanji Mattani.

Mr. Manharlal Vrajdas Merchant.

The Honourable Mr. Sethna put forward the viewpoint of the business community and said that it would be inconvenient to have the full load traffic in sugar and rice diverted to the Alexandra Docks station. It was argued on behalf of the Railways that they were prepared to meet the businessmen half way and to provide for them the necessary conveniences and arrangements. The Muccadums represented that it would not be convenient for them at all to have merely the full load section diverted to the Alexandra Docks station for it several times happened that after they had taken the full load consignments to the Goods station they received instructions from their merchants not to load the complete full consignment but to load part of it and reserve part of it for being loaded to other stations. If they wanted to do the same at Alexandra Docks station they would be obliged to take back the surplus consignment and to issue new gate passes as also

to get a refund of the Municipal Town Duty, etc., all of which would cause a lot of inconvenience and trouble, not to speak of expense. They, therefore, suggested that both the full load and small traffic in rice and sugar be allowed. The Railway representatives, however, pointed out that this would not be possible and some of the Muccadums themselves said that the shed and other arrangements at Alexandra Docks station were insufficient to meet the requirements of this traffic. The Hon'ble Mr. Sethna, therefore, asked on behalf of the Muccadums and the business community if it would be possible for the Railways to arrange only for the full load and small in sugar being diverted to the Alexandra Docks station. Messrs. Ball and Mearns promised to make enquiries and to let the Committee of the Chamber know if this would be possible. The meeting then dispersed.

No. R 25/25/13 dated Bombay 25th August 1925.

From the General Traffic Manager, B. B. & C. I. Railway to Chamber.

With reference to my letter No. R-52/25/11 dated 18th instant, vide your No. T-1075 dated 17th idem, I enclose for information a copy of letter No. D. C. 2/II dated 21st instant from the Manager, B. P. T. Railway and shall be glad to know if you have any other suggestion to make.

Copy of letter No. D. C/2-II dated 21st August 1925, from the Acting Manager B. P. T. Railway, Bombay, to the General Traffic Manager, B. B. & C. I. Railway,

Bombay.

Transfer of Full Load Section from Carnac Bridge to Alexandra Dock.

Your letter No. R-52-35-12 dated 18th August 1925.

I have examined the figures you send me and regret to find the volume of "smalls" traffic absolutely precludes any possibility of dealing with it within our limited covered accommodation at Alexandra Dock.

I shall be glad to hear further from you as regards the transfer of "full load" traffic at your early convenience as the facilities provided for it are, as you are aware, lying idle.

Nos. T-1253, 1254, 1255, dated 12th September 1925.

From Chamber to Messrs. Manilal, Kher and Sequiera, Solicitors, of the Muccadam Association, Secretary, Bombay Rice Merchants' Association, and Secretary, Bombay, Sugar Merchants' Association. Bombay.

I am sending to you herewith a copy of a letter received from the General Traffic Manager, Bombay, Baroda and Central India Railway regarding transfer of full load section from Cernac Bridge to Alexandra Books with its encloser.

My Committee will be glad to know the views of your Association in this matter at your early convenience.

No. T-1380 dated 30th September 1925.

From Chamber to the General Traffic Manager, B. B. & C. I. Railway.

With reference to your letter 25th August 1925, No. R-25/25/13, I am directed by my Committee to forward to you herewith copies of letters received from the Sugar and Rice Merchants' Associations, and Messrs. Manilal, Kher and Sequiera, Solicitors of the Mucaddum Association, for your information.

No. 1133 dated 16th September 1925.

Copy of letter from Sugar Merchants' Association to Chamber.

With reference to your letter No. T/1254 of 13th instant, I have by direction the honour to state that the proposal of transfer of Sugar Traffic, both "Full Load" and "Smalls" to Alexandra Docks Station is, as is evident, an utterly impracticable scheme, the siding being too small and the volume of small items for different destinations being considerably large. The existing arrangements of traffic are therefore deemed to be desirable and a proper solution of the matter. Inspite of its impracticability, if however, all the Sugar Traffic is transfered to Alexandra Dock, my Association would not object to it provided there is an express undertaking by the Railway authorities to give all the facilities to the Mukadams and Merchants at present had at the Carnac Bridge Station. Transfer of full load traffic alone either of Sugar or any other community is bound to prove immensely inconvenient to the merchants with all the drawbacks of dual system.

No. 4452 dated 17th September 1925.

Copy of letter from Manilal Kher and Sequeira Solicitors, to Chamber.

We have now taken our clients' instruction with reference to your letter to us herein of the 12th instant.

You may remember that at the meeting held on the 7th of Augut at the Alexandra Dock Station, our clients had put forward their various objections to the transfer of only the "Full Load" traffic in Sugar. They suggested an alternative that both the "Small" and the "Full Load" may be transferred to the Alexandra Dock Station. To this, the Manager of B. P. T. Roilway stated that they would first have to look into the amount of traffic, to see if the accommodation available would be sufficient both for the "smals" and the "Full Load" traffic in Sugar.

Now that the Manager of the B. P. T. Railway had ascertained that there is no sufficient accommodation for the "smalls" traffic, our clients can do nothing else than reiterate their various objections which have already been specified in our several letters to the Agent, B. B. & C. I. Railway.

We regret our clients consider that they will suffer great inconvenience and hardship if only the "Full Load" traffic in Sugar is transferred to the Alexandra Dock Station as proposed. We trust your Association will help them in getting their legitimate grievance redressed.

No. 1981/0496 dated 28th September 1925.

Copy of letter from the Bombay Rice Merchants' Association to Chamber.

With reference to your letter No. T/1253, dated 12th September 1925 my Association is of opinion that the exporters would be put to inconvenience and hardship if only the "full load" traffic is transferred to the Port Trust Railway and that the inconvenience caused to the public would be far greater than the gain to the Port Trust Railway by utilizing the facilities that may be lying idle at the Alexandra Dock terminus.

APPENDIX 10.

RAILWAY BUDGET.

Dated 25th February 1925.

Telegram from Chamber to Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E., M. L. A., DELHI.

"Please convey the following message to Department of Commerce with reference to the Railway Budget. Committee Indian Merchant's Chamber very much disappointed at want of any indication of

reduction of rates and fares in near future because present rates weigh very heavily on trade and industry particularly in present times of depression. Committee urge consideration of reduction rates earliest opportunity. Committee futher urge establishment of railway rates tribunal without further delay. Committee consider Government should immedistely take up question of development of inland water tranport as they feel it will provide cheaper means of transport and at far lower cost than railways in many areas. Committee feel it high time an additional member was put on Railway Board who could give his entire time and attention to development of water transport wherever possible. Inchambu ".

APPENDIX 11.

"TO PAY" SYSTEM FOR COAL CONSIGNMENT ON RAILWAYS.

No T. 346 Dated 14th March 1925.

From Chamber to the General Traffic Managers, East Indian Railway, and Bengal Nagpur Railway, Calcutta.

The Committee of this Chamber have received complaints against the non-renewal of the "to pay" system of consignment. Before they take up this question they will be obliged if they are favoured by you with figures as to the number of rejection by consignees of coal consignment during the last five years, showing also the loss your Railway has been put to through such rejections.

No. MB/K. 5/25. Dated 17th March 1925.

From East Indian Railway to Chamber.

I beg to acknowledge receipt of your letter No. T. 346 dated 14th instant, asking that the Chamber be furnished with figures as to the number of rejections by consignees of coal consignments during the last five years and the loss Railways have been put to through such rejections, I beg to say that prepayment of freight on coal was made compulsory with effect from 1st December, 1917, and, therefore, since that date there can be no cases of loss of revenue to Railway by rejections of coal consignments.

I might mention for the information of your Chamber that this question of pre-payment of freight is receiving attention by the Indian Coal Committee now sitting.

No. T. 397 Dated 20th March 1925.

From Chamber to East Indian Railway.

I have to acknowledge the receipt of your letter of the 17th instant No. MB/K5/25, with thanks. I shall be obliged if you will kindly supply me with figures as to the number of rejections by Consignees of coal consignments during the five years ending 30th November 1917 and the loss Railway had been put to through such rejections.

No. 40/535 Dated 26th March 1925.

From Bengal-Nagpur Railway to Chamber.

I regret I am not in a position to supply the figures you require. The number of rejections has of course decreased since we arranged for pre-payment.

No. MC. 163 Dated 2nd April, 1925.

From East Indian Railway to Chamber.

I regret I cannot furnish you with the information called for in your above, as the records for the period, viz. five years ending 30th November, 1917 have already been destoryed.

No. T. 502 Dated 17th April 1925.

From Chamber to Bengal Nagpur Railway.

My Committee are surprised to find from your letter of the 26th March last, No. 40/535, that you are not in a position to supply the figures

required by them. They have received several communications protesting against the continuance of the withdrawal of the "to pay" System in the case of coal and asking them to send representations to the Railway authorities in this connection. It was because of this that my Committee wanted statistics to show if the Railway companies had got any reasonable grounds for continuing the withdrawal of the "to pay" System which was effected in 1917. My Committee are informed that the coal industry has represented this matter to your Railway and they are now writing to you as representing coal consumers. You cannot be unaware of the fact that it is consumers who are expected to make an advance payment of their freight to the collieries which means that their money is locked up for a more or less indefinite period. My Committee realise that coal is one of the commodities for which the price itself is often but a minor ingredient as compared with the freight, but they cannot understand why it should be deemed impossible to realise the freight due to the Railway companies by auctioning the consignments at current market rates. So far as the experience of some of their members goes this withdrawal of the "to pay" system comes in the way of both the trade and industries and it is because of that that my Committee write to you requesting that your Railway will be kind enough to remove now the withdrawal of the "to pay" system and to introduce it again in the case of consignments of coal

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No, T 514 Dated 21st April 1925,

From Cahmber to East Indian Railway.

I am directed by my Committee to acknowledge the receipt of your letter No. MC, 163, dated the 2nd instant. They regret that you cannot furnish the figures required by them as the records have been destroyed. They have received several communications protesting against the continuance of the withdrawal of the "to pay" system in the case of coal and asking them to send representations to the Railway authorities in this connection. It was because of this that my Committee wanted statistics to show if the Railway companies had got any reasonable grounds for continuing the withdrawal of the

"TO PAY" system which was effected in 1917. My Committee are informed that the coal industry has represented this matter to your Railway and they are now writing to you as representing coal consumers. You cannot be unaware of the fact that it is consumers who are expected to make an advance payment of their freight to the collieries which means their money is locked up for a more or less indefinite period. My Committee realise that coal is one of the commodities for which the price itself is often but a minor ingredient as compared with the freight, but they cannot understand why it should be deemed impossible to realise the freight due to the Railway companies by auctioning the consignment at current market rates. So for as the experience of some of their members goes this withdrawal of the "TO PAY" system comes in the way of both the trade and industries and it is because of that that my Committee write to you requesting that your Railway will be kind enough to remove now the withdrawal of the "TO PAY" system and to introduce it again in the case of consignment of coal.

No. MB/163/PT I Dated 1st May, 1925

From East Indian Railway to Chamber.

In reply I beg to state that the matter was fully investigated before any decision was arrived at, and the "TO PAY" system cannot be reverted to for the reasons given by the Government of India in their reply to Mr. K. C. Neogy's question regarding compulsory pre-payment of freight on Coal (copy enclosed).

Copy of question by Mr. K. C. Neogy in the Legislative Assembly, on the 15th March, 1924 re Compulsory pre-payment of freight on Coal.

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202 Mr K. C. Neogy (*a*) Are Government aware that on the East Indian and Bengal Nagpur Railways the coal traffic, unlike any other traffic, is subject to the disability of compulsory prepayment of freight?

(*b*) If the reply to (*a*) be in the affirmative, will Government be pleased to state the Section of the Indian Railways Act, (Act IX of 1890) under which the differential disability is laid on the coal traffic in the face of the provision of Section 42 (2) and Section 55 of that act.

Reply.

The Hon'ble Sir Charles Innes: (*a*) Government are aware that the East Indian and Bengal Nagpur Railways enforce pre-payment of freight on coal traffic.

(*b*) This was found necessary as consignments were frequently not taken delivery of by consignees and Railways were consequently put to loss. Government do not consider this action inconsistent with the provision of the Indian Railways Act.

No. 40/535 Dated 5th May 1925.

From Bengal Nagpur Railway, to Chamber.

In the second para of my letter No. 40/535 dated 26. 3. 25. I outght to have written that the rejections were nil since there is no booking to pay.

No. T. 639 Dated 16th May 1225.

From Chamber to Railway Board.

I am directed by my Committee to address you as follows:—

My Committee having received several communications protesting against the continuance of the withdrawal of the "To Pay" system in the case of the coal consignments, wrote to the Bengal Nagpur Railway and the East Indian Railway, representing them to supply the Committee with figures as to the number of rejections by consignees of coal consignment during the five years preceding the withdrawal of the "To Pay" System as also the loss each Railway had been put to through such rejections. In reply the Ag. Superintendent of Claims, Bengal Nagpur Railway in his letter

of the 26th March 1925, regretted that he was not in a position to supply the figures required and stated the number of rejections had of course decreased since they arranged for pre-payment. By the Coal Manager, East Indian Railway, the Committee were informed that the information could not be furnished as the records for the period had been destroyed.

On receipt of replies above referred to from the Bengal Nagpur Railway and the East Indian Railway, the Committee again addressed these Railways requesting them to remove the withdrawal of the "To Pay" System and to introduce it again in the case of consignments of coal. In reply my Commitee have received a communication from the East Indian Railway stating that the matter was fully investigated before any decision was arrived at and that the "To Pay" System could not be reverted to for the reasons given by the Government of India in their reply to Mr. K. C. Neogy's question regarding compulsory pre-payment of freight on coal in the Legislative Assembly on the 15th March 1924. The Ag. Superintendent of Claims, Bengal Nagpur Railway, has stated in reply to my Committee's above letter that in the previous letter dated 26th March 1925, he ought to have written that the rejections were nil since there was no booking to pay.

Owing to the unsatisfactory nature of the above replies, my Committee beg to approach the Railway Board in the matter. They are informed that the coal industry has represented this matter to the Railway Board and my Committee are now writing to you as consumers. The Board cannot be unaware of the fact that it is consumers who are expected to make an advance payment of their freight to the collieries which means that their money is locked up for a more or less indefinite period. My Committee realise that coal is one of the commodities for which the price itself is often but a minor ingredient as compared with the freight but they cannot understand why it should be deemed impossible to realise the freight due to the Railway Companies by auctioning the consignments at current market rates. So far as the experience of some of their members goes, this withdrawal of the "To Pay" System comes in the way of both trade and industries and it is because of this that my Committee beg to

request the Railway Board to be pleased to remove the withdrawal of the "To Pay" System and to re-introduce it in the case of consignments of coal.

No. 725 T, Dated 25th May 1925.

From Railway Department, Government of India, to Chamber.

I am directed to acknowledge the receipt of your letter No. T. 639 dated 16th May 1925 on the above subject.

APPENDIX 12.

NON-PAYMENT OF SMALL CLAIMS BY THE G. I. P. RAILWAY.

Dated 20th May 1925.

From the Hon'ble Mr. Phiroze C. Sethna to the Agent, G.I.P. Railway.

Sometime back I brought up before the Advisory Committee the question of the refusal by the G.I.P. Railway to pay small claims to merchants. I had done so at my own instance. I am now desired by the Indian Merchants' Chamber whom I represent on the Committee to bring it up again. The Chamber are fully aware of what explanation Mr. Patterson gave the Committee.

My Chamber consider the matter as very important to the trading community from whom they have received several letters desiring the Chamber to take up the matter with your Railway. The Chamber desire me to point out that small claims arise from losses of leakage in a bag or two out of whole consignments consisting of a large number of bags. Claims under Rs. 5/- are at present not paid by the Railway but the loss of Rs. 5/- on a single bag might represent a loss of almost half its contents.

The merchants who have approached the Chamber say that the Railway collects all the sweepings and realises by the sale thereof a considerable amount of money every year. They contend therefore that it will be perfectly reasonable to expect that this sum is utilised in the payments of small claims rather than that amount go to add to the revenue account of the Railway.

I am futher desired to point out that the B. B. & C. I. Railway still continues to pay small claims and it is hoped that in view of the pressing demand from the Commercial Community the G. I. P. Railway will also be good enough to revert to its former practice of paying such small claims.

No. T. 727—Dated 9th June 1925.

From Chamber to Messrs. Maganlal Premji & Co.

With reference to your letter of the 31st ultimo, I beg to inform you that it appears from the proceedings of the meeting of the Advisory Committee of the G. I. P. Railway held on the 4th instant that Railway has now decided that repudiation should be based on a percentage and instructions have been given that the claims should be repudiated only if the weight lost is one percent or less of the total invoiced weight of the entire consignment and the monetary value of such loss works out to Rs. 10 or loss. If on the other hand the loss is over Rs. 10 or the short weight exceeds one percent of the total weight of the consignment the claims will be paid irrespective of the amount involved.

The proceeding of the meeting have been published in local papers (vide Bombay Chronnicle of the 8th instant page 5).

Dated 13th July 1925.

From the Hon'ble Mr. Phiroze C. Sethna to the Agent, G. I. P. Railway.

I again beg leave to address you in connection with the matter I brought up recently before the Advisory Committee viz the refusal by the G. I P. Railway to pay small claims to merchants.

It was stated by you at the meeting of the Advisory Committee held on the 4th ultimo that "instructions had been given that, only provided the weight lost was less than one percent of the total invoice weight of the entire consignment and the monetary value of such loss worked out to Rs. 10/- or less should the claims be repudiated and that if on the other hand the loss was over Rs. 10- or the short weight was one percent and over of the total weight of the consignment the claim should be paid irrespective of the amount involved." This decision, in the opinion of my Committee, is even worse from the point of view of the business community than the procedure hitherto in vogue on your Railway and my Committee desire me to protest very strongly against this new system being put into operation.

I enquired at the meeting held on 4th June as to what was the practice of the B. B. & C. I. Railway and Mr. Patterson stated that he had written to them but had not yet received a reply. My Committee are informed that the B. B. & C. I. Railway are paying these even for one Rupee. If this is the case there is no reason why the G. I P. Railway should adopt a different procedure altogether, a procedure which results in great inconvenience and loss to the business community.

I hope therefore that the G. I. P. Railway will meet the wishes of my Committee by doing away with the restrictions both old and new regarding the amount of claims and adopt as their procedure what is already in vogue on the B. B. & C. I. Railway.

No. 11989, L/32 Dated 13th August 1925.

From Secretary, Advisory Committee G. I. P. Railway to the Hon'ble Mr. Phiroze. C. Sethna.

I am directed to refer to your letter dated 13th July, 1925, on the above noted subject which was further discussed at the meetig of the G. I. P. Railway Local Advisory Committee held on the 6th August, 1925.

2. In regard to para. 2, thereof, the Agent considers that the present method of paying such claims on a percentage basis is eminently fair to all. When it was the practice to repudiate claims under Rs. 5/- a shortage in a small consigment, of 3 or 4 bags might bear a high percentage proportion to the total consignment. In larger consignments where a claim of over Rs. 5/- was paid it might in fact, represent a much smaller percentage of the total consignment. To remove this inequality the percentage basis was adopted as giving equal treatment in all cases.

With reference to para. 3 of your letter I am to say that the Agent cannot agree that two Railways must, necessarily, have the same procedure. The disposal of such claims at terminals is largely a matter of weighments, and while one Railway may be able to weigh all its consignments, another Railway may not be able to do so owing to lack of accommodation or the nature of the business. It is only in the last few years that these claims began to arise and subsequently they became so numerous that there was danger of serious dislocation and congestion at Wadi Bunder. The Railway then had recourse to law to ascertain its liability, when the Courts took the view that such losses were due to a risk inherent in the class of business being done. The refusal on the part of the Railway to pay claims under Rs. 5/- was then put into force.

4. In regard to the concluding para of your letter, I am to regret that the Agent cannot see his way to do away with the restrictions. As a result of a number of weighments carried out, there is prima facie evidence that the majority of grain consignments are invoiced by the forwarding stations at less than the actual weight.

You are probably aware that only a percentage of bags is actually weighed when a consignment is tendered for despatch, and on this basis the total invoiced weight is arrived at. If, therefore, it were practical to weigh every consignment before delivery, it would frequently, is believed, be found, that far from a shortage existing there would often be an excess weight and additional freight would be recoverable.

5. As an instance of underweighment by the forwarding station I am to say that in a suit filed in the Small Causes Court last year against the Railway, the evidence showed that an excess of four maunds over and above the invoiced weight was delivered by the Railway, but in face of this the plaintiff claimed compensation, unsuccessfully, for an alleged deficiency.

6. If the Railway were to weigh all consignments coming into Wadi Bunder there would be a great delay in giving delivery and the merchants would be occasioned much trouble and would become liable to wharfage loss. At present a generous remission of wharfage is the policy in force when merchants are involved in difficulties in effecting delivery within the free time allowed. During the month of April 1925 a sum of nearly Rs 2,000/- was given back to the public by way of remission of wharfage charge.

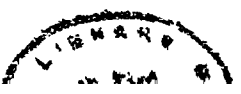
7. The Agent understands further, that claims of the nature now under discussion are of greater interest to the Dalals and Mukadams than to the merchants themselves. They are put forward often on the slightest foundation and the work involved costs the Railway a substantial sum.

8. In regard to your query at the Meeting as to whether there are any other places where sweepings are collected, I have to say that the only other centre is at Generalgunj, Cawnpore. Wadi Bunder is the receiving point in Bombay for grain sweepings of the Bombay area. In regard to cotton sweepings, these are negligible as the bulk of the cotton goes, to the Port Trust Railway Depot.

No. T/1425, dated 12th October 1925.

From The Honourable Mr. Phiroze C. Sethna, to the Secretary, Local Advisory Committee, G. I. P. Ry.

I have the honour to refer to the correspondence ending with your letter of the 13th August 1925. This letter was fully discussed and considered by my Committee at one of their meetings. My Committee remain still unconvinced with regard to the raison d'etre of your having fixed a limit of Rs. 10 below which claims would not be paid. The fixing of this limit appears to my Committee all the more unjustifiable in view of fact the that it was done after their protest against the original limit of Rs. 5 fixed by your Railway. It is mentioned in your letter that the Agent could not agree that two railways must necessarily have the same procedure. My Committee have never urged that all the railways must have the same procedure with regard to all the points of administration and management. Different railways should have under certain circumstances different points of procedure according to their environments. Here, however, in Bombay both the railways have the same local environments and are governed by the same set of circumstances and there is, therefore, no reason whatsoever, in the opinion of my Committee, for having such a wide discrepancy between the procedure adopted by the B. B. & C. I. Railway and by your Railway in the matter of payment of small claims. Such a discrepancy without any support of facts and figures to back it up causes only irritation and annoyance to the business community which is the biggest patron of the railways. My Committee, therefore, beg again to strongly protest against the procedure adopted by you in the matter of small claims and to request you to be good enough to have that procedure done away with altogether and to revert to the old practice which is still in vogue on the B. B. & C. I. Railway.



APPENDIX 13.

CHAMBER'S REPRESENTATIVE ON THE B. B. & C. I. RAILWAY ADVISORY COMMITTEE.

Dated 12th November 1925.

From Sir Purshotamdas Thakurdas Kt., C. I. E., M. B. E., M. L. A. to Chamber

Owing to my absence from Bombay on the Royal Commission for Currency, I have today sent in my resignation to the Chairman, B. B. and C. I. Railway Advisory Committee, and write this to you to request the President on my behalf to take steps to have another nominee of the Chamber elected on that Advisory Committee.

No. T/1641, dated 18th November 1925.

From Chamber to the Chairman, the Advisory Committee B. B. & C. I. Railway.

I am directed by the Committee of this Chamber to inform you that Mr. B. F. Madon, Bombay House, Bruce Street, Fort, Bombay, will henceforward represent this Chamber on your Committee in place of Sir Purshotamdas Thakurdas, C. I. E., M. L. A.

No. T/1644, dated 18th November 1925.

From Chamber to B. F. Madon Esqr.

I am directed by the Committee to inform you that you have been nominated to represent this Chamber on the Advisory Committee of the B. B. & C. I. Railway, in place of Sir Purshotamdas Thakurdas who has resigned.

No. T/1643, dated 18th November 1925.

From Chamber to Sir Purshotamdas Thakurdas Kt., C. I. E., M. B. E., M. L. A.

With reference to your letter dated the 12th November 1925, I am directed by the Committee to inform you that your resignation from the Advisory Committee of the B. B. & C. I. Railway has been accepted with regret.

APPENDIX 14.

CONCESSION TO CINEMA COMPANIES

No. D/1488—Dated 3rd October 1925.

From the Passengers' & Traffic Relief Association to Chamber.

I beg to enclose herewith copies of important correspondence between the authorities of the two Railways and this Association in the above matter and our extract from the minutes of the meeting of the last Executive Committee held on the 17th September 1925 to show you the lines on which this Association want to move in the matter :—

> "7. Letter No. 1230 T. dated the 15th June 1925, from the Secretary, Railway Board, Re:—Grant of concession to Cinema Companies, it was resolved to take steps to move the members on the Local Advisory Committee with a view to make representation to Railway Conference and write to the Secretary, Indian Merchants' Chamber to support us."

This is sufficiently explanatory I shall however be obliged if you will be so good as to suggest some ways to move in the matter. Hoping to be excused,

Copy of letter from Kohinur Film Company to Passengers' and Traffic Relief Association.

We understand that the staff of Dramatic Companies are given certain concessions which are not given to the staff of Cinema Companies. Circus companies are also allowed those concession. Will you kindly use your influence to secure similar concession on the B. B. & C. I. Railway and the G. I. P. Railway for Cinema Companies and oblige.

No. J. 951/25—Dated 18th March 1925.

From Passengers' & Traffic Relief Association to the General Traffic Manager B. B. & C. I. Railway.

I send herewith copy of a letter of the 2nd/3rd October 1924, received from the Chief Traffic Manager, Great Indian Peninsula Railway and have to request you to let me know whether you will be so pleased to give the same privilege as the G. I. P. Railway offer.

An early reply will oblige.

No. CG. 1/27. Bombay 2nd/3rd October 1924.

Copy of letter from Chief Traffic Manager G. I. P. Railway to the Passengers' and Traffic Relief Association.

With reference to your letter No. P. 511 of 19-9-24 addressed to our Agent who has forwarded it to me for disposal. I have to inform you that the concession notified in para 96 item (1) page 135 of our coaching guide is extended to cinema companies over this Railway.

2. As regards the concession over Foreign Railways, I suggest you communicate with the authorities of the Railways concerned.

No. 257/22-8. Dated the 25th March 1925.

Copy of letter from the General Traffic Manager, B. B. & C. I. Railway to the Passengers' and Traffic Relief Association.

I regret I cannot see my way to grant the concession asked for by you. I may state that the G. I. P. Railway have since withdrawn the concession. Vide Exception (1) to para 96 item 1 page 160 of their coaching Traffic No. 217 in force from March 1925 which reads as follows :—

"(1) On the G. I. P. Railway this concession does not apply to bioscope, cinema circus and concert parties."

No. RG. 177/24 Dated the 2nd October 1924.

Copy of the letter from the General Traffic Manager, B. B. & C. I. Railway to the Passengers' and Traffic Relief Association.

With reference to your letter No. J. 510, of 19th September 1924 to the address of the Agent, I beg to inform you that under the rules no concession in fares is allowed to Cinema, Bioscope, Circus, and Concert parties over this Railway and it is not proposed to make an exception to this rule.

No. J-920, dated 5th June 1925.

Copy of letter from the Passengers' & Traffic Relief Association to the Railway Board.

Under the instructions of my Association I have the honour to send herewith copies of correspondence between the B. B. & C. I. Railway and the G. I. P. Railway on the one hand and my Association on the other hand, from which you will see that both the companies working here have discontinued the concession to Bioscope Cinema, Circus and concert parties. Formerly they enjoyed the concessions as professional theatrical companies. It is difficult to surmise the reasons that have prompted the withdrawal of these concessions but considering that bioscope, cinema, circus and concert parties serve the public in the same way as the theatrical companies and in fact bioscope and cinemas have assumed importance greater than theatrical companies-which therefore is a greater reason that

they should be given this concession. And my Association will be pleased if you will use your influence to prevail upon the different railway companies to continue the concessions as before because it seems that several companies which gave this concession have all discontinued at the same time and hence it will appear that the joint action has perhaps been taken with your consent.

Commending this for your action and prompt attention.

No. 1230-T. dated the 15th June 1925.

Copy of letter from Railway Board to the Passengers' and Traffic Relief Association.

With reference to your letter No. J-920, dated the 5th June 1925, I am directed to explain that these concessions are not granted by the Railway Board but by the Railway Administrations concerned. In the circumstances the Railway Board regret they cannot interfere in the matter.

No. T/1436, dated 14th October 1925.

From Chamber to Passengers' and Traffic Relief Association.

With reference to your letter No. D-1488, dated the 3rd instant I am directed to write to you as follows :—

My Committee have not been able to gather from the enclosed correspondence what exactly cinema companies ask for. As far as they understand cinema companies as such are supposed to be stationery and do not move out from place to place as circus and theatrical companies do.

My Committee would be glad to know from interested cinema companies throug you the exact nature of concessions (i. e., whether they want them for their staff or for their films going from place to place) they ask of the Railway companies.

No. D-1555, dated 30th October 1925.

From the Passengers' and Traffic Relief Association to Chamber.

With refererence to your letter No. T/1436, dated the 14th instant in reply to mine No. D/1488, dated the 3rd idem, I have to state the following :—

The Cinema Companies are required for the purposes of scenes of different places to travel in groups from place to place. They have also to take photos of different persons at very different places. It is only when the staff of Cinema Companies are moving in groups for the purposes of taking slides of different places it seems that the necessity of giving concessions to Cinema Companies arises.

Nos. T/1538-39, dated 2nd November 1925.

From Chamber to Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E., M. L. A., and the Honourable Mr. Phiroze C. Sethna, O. B. E.

The attention of the Committee of this Chamber has been drawn to the question of granting concession to Cinema Companies by the G. I. P. and the B. B. & C. I. Railways. Both these Railways have discontinued the concession to Bioscope, Cinema and Concert parties.

I am now desired by the Committee to request you to be good enough to take up this question in the Local Advisory Councils of the B. B. & C. I., and G. I. P. Railways, and do the needful.

APPENDIX 15.

ESTABLISHMENT OF A RATES TRIBNUAL.

No. 630/25 Dated 3rd October 1925.

From the Ahmedabad Millowners' Association. to Chamber.

I am directed by my Committee to forward for your information a copy of the representation addressed to the President, Railway Board, Simla, on the subject of reduction in Railway freight on long distance transport of coal and to request you to move in this matter.

Copy of representation to Railway Board by the Ahmedabad Millowners' Association.

I am directed by my Committee to invite your attention to the question of freights on long distance transport of coal which has been engaging the serious attention of my Committee for over two years. My Committee notes with regret that its representations addressed to you on 10th June 1923 and 20th June 1924, in regard to this subject of vital importance to the industry proved of no avail in convincing the Government of the immediate necessity of reducing the freight on coal trade and the various industries of the country.

In the year 1919, when freight on coal was substantially raised, different industrial bodies along with the coal trade realising the serious handicaps under which the Railways were working at that time tacitly accepted the policy of the Railway Board in a public spirit. Last five years' experience, has, however, proved beyond the shadow of a doubt that the said policy inaugurated by the Railways during the times of war has rendered the coal trade not only helpless against foreign dumping but has also adversely affected local industry to a very great extent.

It is to be ascertained if the Sukkur Barrage Contract for the South African Coal was not influenced by this iniquitous and unfair policy to maintain the high level of freights on coal for long distance transport.

The vital importance of this subject will further be obvious from the fact that within a short period of six months two motions were tabled and discussed in the Assembly and the Council of State to impress upon the Government the immediate necessity of reducing the freight without further delay.

It is, however, regrettable that a commodity like coal which is the life-blood of the indigenous industries of the country and which yields to the Railways over 8 crores of rupees by way of revenue should have been treated in such a light and inconsiderate manner by Government despite various authoritative protests. Indian industrial opinion has demanded in emphatic terms a reduction in Railway freight on coal during the last two years and the successive resolutions adopted by the Associated Chambers of Commerce on the same subject in 1923 and 1924 show the gravity of the situation. Witness after witness has urged before the Coal Committee for a substantial reduction in freight on coal and even Sir Charles Innes, member in charge of Railways, while trying to refute the charges against the present Railway policy during the last Budget discussion, had to remark "It is said all over the Country that we are charging excessive exhorbitant charges for long distance coal freights." Despite such strong public feeling all over the country on the subject it has been claimed on behalf of the authorities that they carry coal at an extremely moderate rate. My Committee fails to apprehend why a commodity consumed by indigenous industries in such large quantities should be picked out for about a 33% increase in freight when the increase on other commodities does not exceed 25%. In all countries the policy of the Railways has always been to transport coal at the cheapest rates so as not to hamper the progress of the indigenous industries.

My Committee strongly disapproves the policy of "wait and see", followed by the Government and emphatically urges the necessity to

take immediate action in this matter. Nearly three months have elapsed since the member for Railways promised to consider this question favourably but nothing has been done. Even the Tariff Board that impartial and weighty body has pronounced its definite verdict on this all-important question in the following terms : "Over a large part of the country progress may be seriously retarded unless the freight on coal be reduced substantially." My Committee desires to enquire of you whether any of these pronouncements have been given consideration by your board and if so what their decision is in the matter.

In the circumstances, my Committee trusts that immediate action will now be taken to reduce substantially the freight on coal in the the interests of the coal trade, and other indigenous industries of this country.

No. 462/2802 Dated 13th October 1925.

From Agents of the Sholapur Spinning & Weaving Co., Ltd. to Chamber.

We beg to forward herewith a copy of the letter that has been submitted to the Secretary, Railway Board, Simla, by all the Mills and 75 merchants from Sholapur. If you refer to pages 2 and 3 of the letter, you will please see the disparity between the rates on goods sent from great commercial and other important centres of trade to other equally well known business centres in India. The apparent difference in rates is a great handicp both to our mills and to our merchants in their healthy competition with other manufacturers there. The high rates constitute a heavy charge upon our products. To that extent there is the handicap to which we have referred. We should feel thankful to you to take up the question and move the Railway authorities on the subject, with all the weight your Association carries.

Dated 28th September 1925.

Copy of letter addressed to Railway Board by all the Mills and 75 Merchants of Sholapur.

Sholapur is an industrial town with five Cotton Spinning and Weaving Mills–most of them very big ones, and an extensive Handloom industry. Naturally therefore, there is an extensive trade in piece-goods and yarn with all centres in India especially, Bombay, Calcutta, Delhi, Cawnpore, Madras, Amritsar and Bangalore, Sholapur however, has been subjected to an unusually high rate of freight as compared to other centres. The following is a comparative statement of rates from various centres :—

	Stations.	Distance Miles.	Rate per Maund.			Remarks.
To.	From.		Rs.	a.	p.	
(1). Calcutta ...	Bomaby via Jubbulpore,	1333	1	8	1	
	" " Nagpur,...	1223				
	Sholapur Direct, ...	1323	4	7	2	
	" via Bombay,...	1500	3	0	1	Provided arrangement can be made to unload and re-load goods at Bombay.
	Madras via Bezwada, ...	1032	1	14	0	
	Madura,	1450	1	12	3	
	Ahmedabad via Agra E. B.,	1522	1	14	0	
	Ahmedabad via Amalner and Nagpur, ...	1592	2	9	1	

Note :—Although Sholapur is 1323 miles distant from Calcutta the rate is Rs. 4-7-5 which is fully three times the rate from Calcutta to Bombay both via Jubbulpore and Nagpur, the distance being 1333 and 1223 respectively !!!

	Stations. To.	From.	Distance Miles.	Rate per Maund. Rs. a. p.	Remarks.
(2)	Delhi ...	Bombay, ...	... 957	2 10 3	
		Sholapur, ...	... 1053	4 0 7	
		Madras. ...	... 1569	4 0 0	
		Ahmedabad	... 537	1 12 9	

Note :—Although Sholapur is only some 100 miles more distant than Bombay, which means only 10% excess, the rate from Sholapur is nearly 52% more than the one from Bombay, being Rs. 4 0-7 as against 2 10-3. Further in the case of Madras though it is farther off by nearly 500 miles than Sholapur, the rate charged is-though nominally less than Sholapur.

(3).	Cawnpore, Bombay, ...	... 839	2 4 2	
	Sholapur, ...	... 941	3 11 7	
	Hubli, ...	... 1158	3 8 2	
	Ahmedabad,	... 1137	2 4 10	

Note :—Although Sholapur is nearer to Cawnpore by 217 miles than Hubli the rate charged from Sholapur is Rs. 3-11-7 as against Rs. 3-8-2 from Hubli i. e., for a longer distance of 217 miles it has to pay 3 annas and 5 pies less ! ! !

(4).	Madras ... Bombay, ...	... 794	1 0 0	
	Sholapur, ...	... 511	1 10 7	
	Ahmedabad,	... 1153	3 3 7	

Note :—Although Bombay is more distant than Sholapur by 283 miles the rate charged from Bombay is only Re. 1-0 1 as against Re. 1-10-7 from Sholapur ! ! !

(5) Amritsar,	Madras via Delhi, ...	1857	4	4	8
	Sholapur, ...	4286	4	6	2
	Ahmedabad, ...		2	9	·1

Note:—Although Madras is 571 miles more distant the rate from Madras is Rs. 4-4-8 as against Rs. 4-6-2 from Sholapur!!!

(6), Madura ... Petlad via Jalarpeth ... 3 0 0

The above comparisons give a clear idea about the preferential treatment given to certain centres, and it is not necessary to dilate on the injustice that is being done to the commerce and industry at Sholapur. In these days of hard depression when the Mills and the merchants find it difficult to dispose of their goods even at a loss in most cases—and with no margin whatsoever in others, the acuteness of the depression is more felt when complaints are heard from the merchants about their getting goods at a cheaper freight from Bombay and Madras, etc. When it is borne in mind that Sholapur has a greater number of Mills, is a bigger Industrial Town, and exports a bigger quantity of piece-goods and yarn than either Hubli or Petlad and is charged more than the latter, the inequity of the rates appears quite glaring. In order to show the volume of traffic in piece-goods and yarn, we may mention that the Sholapur Mills and hand-looms manufacture on an average 2,25,000 Maunds of Cloth and 1,31,000 maunds of Market Yarn every year. The population of the City being over about a lac and 10 thousand, the consumption in the city itself is negligible, and it is no exaggeration to say that almost the whole of the quantity manufactured is exported out of Sholapur. Besides, the income due to the above to the Railway, the Mills pay a good sum of over Rs. 10,000 for fright on inward traffic. The figures for the last year were as under :—

Name of Mill.	Year ending.	Amount.		
		Rs.	as.	p.
The Sholapur Mill ...	31--3-1925	4,21,377	11	0
„ Lakshmi Mill ...	31-12-1925	1,43,378	0	0
„ Vishnu Mill ...	„	1,95,474	0	3
„ Narsinggirji Mill ...	„	2,03,587	11	6
„ Jam Mill ...	„	80,100	1	0
	Total Rs. ...	10,43,917	7	6

We therefore appeal to you to go through the above rates and revise those from Sholapur to all the principal Commercial Centres in India (even those that may not have been mentioned in the above list) in order that the traffic from Sholapur may develop rather than be retarted.

No. T. 1614 Dated 13th November 1925.

From Chamber to the Government of India, Railway Department.

I am directed by my Committee to draw your attention to representations sent by the Ahmedabad Millowners' Association on the subject of reduction in railway freight on long distance transport and the representation, which has been sent from the industrialists and merchants of Sholapur city on the subject of disparity in freight rates on goods sent from Sholapur. (Copies of these representations are sent herewith for purposes of easy reference).

In this connection altogether apart from the merits of the complaints contained in the above representations, my Committee desire to convey their very serious disappointment on the inaction of the Government in setting up a proper rates tribunal on lines recommended by the Acworth Committee, accepted by the Assembly and repea-

tedly pressed by the representatives of the public in the form of questions and in the deliberations of the Railway Finance Committee. My Committee would be glad to receive a statement of the situation in connection with the establishment of the rates tribunal as it is today and, while fully prepared to believe that Government have valid reasons for delaying the constitution of the rates tribunal, I am directed to say that any such delay has a tendency of increasing the discontent with the Railway Administration of the country. Such discontent vents itself in representations by individual concern, by representatives of certain localities and certain industries. Whether the complaints are legitimate and should be met by any reasonable relief is at present left not to any constituted body, in whose impartiality of judgment the public would have faith. Executive decisions on this subject by the Railway Board are not calculated to impress the public particularly after the declaration of the Railway Board that every Agent was left free to work his line on a commercial basis and to give some kind of moral guarantee for adequate return on the outlay of public finances as provided in the five-year programme. Not only therefore there is no machinery, but the parties, to whom all complaints are at present referred, are the parties complained against, and from them no reasonable relief could be secured even where the defects are glaring and the injustice is absolutely palpable.

In advocating the continuance and extension of State Management of Railways my Committee had in mind primarily the fact that there are certain aspects of transportation, which the State as a whole and for the good of India as a whole can take notice of and which could never be sufficiently impressed upon commercial heads of railway administrations. So long as the rates tribunal is not constituted, all the benefit therefore, which the public expected to receive in this direction, is absent and the anticipated advantage to the country from the final adoption of the policy of State Management has not been secured.

Coming specifically to the representation of the Ahmedabad Millowners' Association, my Committee feel that in the present condi-

tion of the textile industry any relief in any direction, which could be given to them without undue sacrifice of public revenue, is to be welcomed. My Committee do not anticipate that there would be serious loss to the railway companies from reduction of freight over long distances, particularly in the matter of coal, as it is likely to increase the volume of traffic. In any case if the Government turned down this request of the Ahmedabad Millowners' Association, the onus of pointing out how such reduction on coal is not likely to be compensated for by increased volume remains on Government. The mere rejection of the request of a commercial body of such standing is not calculated to increase the confidence that the public have in railway management by the Railway Board.

The case of Sholapur appears to my Committee really one, which is illustrative of the blind manner in which rates have been fixed hitherto and the rule of thumb by which administration is carried on. Unless it were the intention of the Railway Board to prevent legitimate growth of the industry of a centre like Sholapur, it becomes difficult to account for the comparative statements of rates given, in which it is clear that no adjustment have been made from time to time in keeping with the very large growth, which this city and the industry of that city has achieved during the last twenty years. If the volume of traffic is what the railways are after, then every possibility of securing larger volume of traffic ought to be welcomed, and where large traffic is handled, handling costs being appreciably lower, rates have to be fixed, other considerations being equal, according to the total volume of traffic commencing from a particular centre. My Committee would therefore like to know what Government propose to do about the representation sent in from Sholapur. In particular my Committee would like to know the name or names of the officers, to whom the task of considering this representation is entrusted, so as to enable them to judge whether public complaints coming from important individuals and Associations in the country can be at present properly considered. My Committee have felt throughout that the present constitution of the Railway Board does not lend itself to an impartial examination of these questions. This was also the opinion of the Acworth Committee and it was for this reason that Committee

specifically laid down lines for the constitution of a rates Tribunal. In this connection my Committee beg to draw your attention to paragraph 156 of the Acworth Committee, wherein it is stated :—

"We have discussed with many witnesses not only the Indian public but the railway companies what the authority to control rates should be. We have found a unanimous readiness on both sides to accept the constitutions of a new tribunal, practically identical with that recommended for the same duties by the Rates Advisory Committee constituted under the English Ministry of Transport Act, 1919, and accepted as satisfactory both by railway companies and representative organisations of the traders of England."

My Committee would like to know in view of this definite statement of the Acworth Committee as to who are raising objections at the present stage and where the stumbling block lies.

My Committee understand that it is the company railways which are principally raising objections and would like to be assured that there is no truth in the rumour which is gaining ground that the Secretary of State for India supports the company Railways in their objections and does not approve of the Rates Tribunal and is, therefore, causing all this delay directly and indirectly.

(B) SHIPPING.

APPENDIX 16.

REPORT OF THE INDIAN MERCANTILE MARINE COMMITTEE: ACTION TO BE TAKEN ON.

No. T. 4502 1st April 1925.

From Chamber to the Government of India, Department of Commerce.

I am directed by my Committee to address this letter to you. They deeply regret the attitude of Government in not taking any

action upto now on the report submitted by the Indian Mercantile Marine Committee although it is nearly a year since it was submitted and they feel surprised and pained that while Government found time to consider and take action in hot haste on the recommendations of the Lee Commission when the British interests were concerned they neglected upto very recently even to forward, as my Committee understand, their despatch to the Secretary of State on the Mercantile Marine Committee's report, which concerns vitally one of the greatest national industries. Committee therefore earnestly beg to request the Government to let them know when they propose to take action on the said report and whether they are going to bring forward any bill for the reservation of the coasting trade on the lines suggested in the Marine Committee's report.

My Committee shall also feel thankful if the Government will kindly let them know the opinion, if any, which they may have received from the Crown Lawyers in regard to the Coasting Bill submitted to them.

APPENDIX 17.

NOTIFICATIONS OF THE MARINE DEPARTMENT, GOVERNMENT OF BOMBAY.

Marine Department.

Bombay Castle, 18th February 1925.

No. 536 A.—The following draft of a notification, which it is proposed to issue under the Indian Merchant Shipping Act, 1923 (XXI of 1923), is published as required by sub-section (1) of section 145 of the said Act for the information of persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 1st April 1925.

2. Any objection or suggestion which may be sent to the Secretary to the Government of Bombay, Marine Department, by any person with respect to the draft before the date aforesaid will be considered by the Governor in Council.

Draft Notification.

In exercise of the powers conferred by section 145 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), the Governor in Council, with the previous sanction of the Governor General in Council, is pleased to amend the rules to regulate the surveys of steam ships at the port of Bombay, published in Government Notification, Marine Department, No. 8, dated the 30th January 1888, as subsequently amended, as follows, namely :-

(1) In rule 13 of the said rules for the table of rates payable in respect of surveys, the following table shall be substituted, namely :—

	Rs.
For steam ships of which the gross tonnage	
does not exceed 100 tons	105
exceeds 100 tons but does not exceed 300 tons ...	120
exceeds 300 tons but does not exceed 600 tons ...	135
exceeds 600 tons but does not exceed 900 tons ...	150
exceeds 900 tons but does not exceed 1,200 tons ...	180
exceeds 1,200 tons but does not exceed 1,500 tons...	217/8
and for every additional 300 tons or fraction of 300 tons above 1,500 tons	37/8

(2) In rule 14 of the said rules for the word and figure "Rs. 10" substitute "Rs. 32".

(3) In rule 15 of the said rules for the word and figure "Rs. 50" substitute "Rs. 60".

By order of the Governor in Council.

C. W. A. TURNER,

Secretary to Government.

Marine Department.

Bombay Castle, 18th February 1925.

No. 536 B.–The following draft of a notification, which it is proposed to issue under the Inland Steam Vessels Act, 1917 (I of 1917), is published as required by sub-section (1) of section 74 of the said Act, for the information of persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 1st April 1925.

2. Any objection which may be sent to the Secretary to the Government of Bombay, Marine Department, by any person with respect to the draft before the date aforesaid will be considered by the Governor in Council.

Draft Notification:

In exercise of the powers conferred by section 19 of the Inland Steam Vessels Act, 1917 (I of 1917), the Governor in Council is pleased to amend the rules to regulate the making of surveys of inland steam vessels at the port of Bombay, published in Government Notification, Marine Department, No. 30, dated the 17th March 1893, as subsequently amended, as follows, namely :–

(1) In rule 11 of the said rules for the table of rates payable in respect of surveys the following table shall be substituted, namely ;–

	Rs.
For inland steam vessels of which the gross tonnage does not exceed 25 tons	60
exceeds 25 tons, but does not exceed 50 tons ...	75
exceeds 50 tons, but does not exceed 75 tons ...	90
exceeds 75 tons, but does not exceed 100 tons ...	105
exceeds 100 tons, but does not exceed 300 tons ...	120
exceeds 300 tons, but does not exceed 600 tons ...	135
exceeds 600 tons, but does not exceed 900 tons ...	150
exceeds 900 tons, but does not exceed 1,200 tons ...	180

(2) In rule 12 of the said rules for the words "fifty rupees" substitute "sixty rupees",

By order of the Governor in Council,

C. W. A. TURNER,

Secretary to Government.

Marine Department.

Bombay Castle, 18th February 1925.

No. 536-C.—In exercise of the powers conferred by section 223 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), and in supersession of Government Notification, Marine Department, No. 108, dated the 30th November 1892, the Governor in Council, with the previous sanction of the Governor General in Council, is pleased to fix the following fees to be levied for survey for certificates of approval of the position of any load line disc or any alteration thereof :—

Gross Tonnage of Vessels	Classed Vessels.	Unclassed Vessels.
	Rs.	Rs.
Under 100 tons	32	64
100 tons and under 300 tons ...	32	96
300 tons and under 500 tons ...	48	128
500 tons and under 1,000 tons ...	64	176
1,000 tons and under 1,500 tons ...	80	224
1,500 tons and under 2,000 tons ...	96	272
2,000 tons and under 2,500 tons ...	112	320
2,500 tons and under 3,000 tons ...	128	368
For every additional 1,000 tons up to 10,000 tons	16	48

For every additional 1,000 tons above 10,000 tons ... ... nil 43

Note:—An "unclassed" vessel for the purposes of the above scale is one that has not been previously "classed" by a recognised Classification Society, or has not previously been in possession of a Load Line Certificate granted by the Board of Trade, a recognised Classification Society, or under the authority of the Government of India.

By order of the Governor in Council,

C. W. A. TURNER,

Secretary to Government.

Marine Department,

Bombay Castle, 18th February 1925.

No. 536-D.—The following draft of a notification, which it is proposed to issue under the Indian Ports Act, 1908 (XV of 1908), is published as required by sub-section (2) of section 6 of the said Act for the information of persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 1st April 1925.

2. Any objection or suggestion which may be sent to the Secretary to the Government of Bombay, Marine Department, by any person with respect to the draft before the date aforesaid will be considered by the Governor in Council.

Draft notification.

In exercise of the powers conferred by section 6 of the Indian Ports Act, 1908 (XV of 1908), the Governor in Council is pleased to amend the rules for licensing and regulating cargo boats plying within the limits of the Port of Bombay, published in Government Notification, Marine Department, No. 150, dated the 18th December 1902, as subsequently amended, as follows, namely:—

For rule 2 of the said rules substitute the following :—

"Every application for a survey certificate under these rules shall be made on the printed form obtainable from the Port Officer, Bombay, accompanied by the survey fee chargeable under section 35 of the Act, namely :—

Class I—Padows, Muchwas and other similar country craft, which ordinarily proceed under own sail—

	Rs.
Not exceeding 50 tons gross	10
For every additional 50 tons or fraction of 50 tons	5
Class II—Wood and Composite Lighters—	
Not exceeding 50 tons gross	15
For every additional 50 tons or fraction of 50 tons	10
Class III—Iron and Steel Lighters—	
Not exceeding 50 tons gross	25
For every additional 50 tons or fraction of 50 tons	20

By order of the Governor in Council,
C. W. A. TURNER,
Secretary to Government.

No. T-450, dated 31st March 1925.

From Chamber, to the Government of Bombay, Marine Department.

The attention of the Committee of this Chamber is drawn to the draft notifications proposed to be issued under the Indian Merchant Shipping Act, 1923, dated 18th February 1925 and numbered 536-A and 536-C, respectively, also to the notification proposed to be issued

under the Inland Steam Vessels Act, 1917, dated 18th February 1925, No. 536-B, as also to the notification proposed to be issued under the Indian Ports Act 1908, dated 18th February 1925, No. 536-D.

My Committee are greatly surprised at the increases proposed to be made under all these notifications with reference to the rates payable in respect of surveys for steamships, for inland steam vessels and for Padaws Muchwas and other similar country-crafts, as also increases in rates suggested for survey for certificate of approval of the position of any load-line disc or any alteration thereof.

In the opinion of my Committee all these increases are unjustifiable and will bear heavily on the shipping trade of the country. All these small steam vessels and Padaws, Muchwas, etc, may be considered as nurseries of our future Mercantile Marine and my Committee will be much obliged if the Government will be pleased to explain the reasons, if any, for proposing these increases in the survey fees.

No. 536 M., 2nd May 1925.

From the Government of Bombay, Marine Department to Chamber.

With reference to your letter no. T-450, dated the 31st March 1925, I am directed by the Governor in Council to say that the increased fees proposed to be levied under Government Notifications nos. 536A, 536B, 536C, and 536D, dated the 18th February 1925, for certain services rendered to the shipping community in Bombay, are intended (1) to meet the cost on account of the additional Engineer and Ship Surveyor, whose need was badly felt by the shipping community, and whose appointment has been recently sanctioned by Government and (2) to make the Marine Survey Department in Bombay self supporting. The question whether the proposed fees

would bear heavily on the shipping in Bombay was carefully considered by Government. I am to add that none of the shipping companies have protested against the proposed increases, and that no objections have been received by Government except from your Chamber. I am accordingly to enquire whether, in view of the circumstances explained above, you still have any objections to offer against the proposed increases apart from the general objection urged in your letter under reply, and if so, to request you to specify them.

No. T. 694, 27th May 1925.

From Chamber to Government of Bombay, Marine Department.

I am directed to acknowledge the receipt of your letter of the 2nd instant, No. 536-M, and to reply to the same as follows :-

2. My Committee have carefully gone into the question of inceased rates and find no justification for such enormous increases. The fee for the survey of small craft under 300 tons is proposed to be increased by 100 % while the increase will be over 200 % in the case of Padows Machvas, etc. For wood and composite lighters, the increase will be as much as 200 %. Under this class, taking the instance of a lighter of 200 tons, the existing fee is Rs. 5/ while the proposed fee would amount to Rs. 45/ which would mean an increase of as much as 800 %. Under the proposed rates, there will be an increase of 400 % in the case of iron and steel lighters. But taking the instance of an iron barge of 250 tons the existing rate is Rs. 5/ while the proposed rate would amount to Rs. 65/ which means an increase of as much as 1,200 %. They therefore remain unconvinced and do not see their way to withdraw their opposition to the proposed increases.

3. My Committee will feel obliged if you will enlighten them as to why Padows, Machvas and lighters should be so heavily taxed as compared with larger ships which can perhaps bear the higher taxation more easily than the lighter craft.

No. 536 M. 13th October 1925.

From the Government of Bombay, Marine Department to Chamber.

With reference to your letter no. T. 694, dated the 27th May 1925 on the above subject, I am directed by the Governor in Council to say that the objections urged by your Chamber against the proposed increases in the fees for the survey of vessels in Bombay have been brought to the notice of the Government of India whose orders are awaited.

No. 536 M. 11th December 1925.

From the Government of Bombay Marine Department, to Chamber.

In continuation of my letter no. 536-M, dated the 13th October 1925, I am directed by the Governor in Council to say that, after considering the objections urged by your Chamber, the Government of India have directed the final publication of the draft notifications published under Bombay Government notification nos. 536-A, 536-B, and 536-D. dated the 12th February 1925. I am in this connection to say that the fees for survey of steam vessels as revised will still be less than those charged by Lloyd's Register in Bombay for equivalent surveys. As regards the increases proposed in the fees for the survey of cargo boats, I am to say that while they appear appreciable it must be borne in mind that the existing fees are merely nominal, and do not cover even the travelling expenses of Surveyors, who have generally to go either to Sewri, which is about 3½ miles away from the Port Office, or to Mazagon, which is about 6 miles away, to survey such vessels much less the charges for the professional services of the Surveyors. The survey of one of these craft means at least one visit to Mazagon or Sewri and in some cases two visits, while another visit has to be made on completion of repairs when the vessel is about to be put into service. Approximately a half of the cargo boats surveyed by the Port Office, Bombay, are owned by the Mazagon

Dock, the Bombay Port Trust and the Bombay Steam Navigation Company, and these owners have not opposed the increased fees, I am to add that the proposed increases affect only harbour vessels plying for hire within the limits of the port of Bombay, and have nothing to do with seagoing country craft.

APPENDIX 18.

PRECAUTIONS AGAINST FIRE IN STEAMSHIPS.

GENERAL DEPARTMENT.

Bombay Castle, 21st July 1925.

No. 1380-C.—The following notification by the Government of India, Department of Commerce, is republished :—

"SHIPPING."

No, 346-S., dated Simla, the 18th July 1925.

The following draft of certain futher amendments to the rules published with the notification of the Government of India in the late Department of Finance and Commerce, No. 1354, dated the 14th March 1889, which in exercise of the power conferred by sub-section (1) of section 191 of the Indian Merchant Shipping Act, 1923 (XXI of 1923) it is proposed to make with effect, in the application to an existing ship of an amendment necessitating structural alteration in such ship, from the 1st October 1926, and same as aforesaid, with effect, from the 1st April 1926, is published as required by sub-section (4) of the said section, for the information of all persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor General in Council on or after the 1st November 1925. Any objection or suggestion which may be received from any person with respect to the draft before the said date will be considered by the Governor General in Council.

DRAFT AMENDMENTS.

1. For rules XII to XVII of the said rules and the headings thereto the following headings and rules shall be substituted, *namley* :—

"E.—*Apparatus for extinguishing and precautions against fire.*

STEAMSHIPS.

XII. *Spaces occupied by passenger and crew.*—On every steam ship of more than 4,000 tons gross tonnage at least three, and on every other steam ship at least two, steam or equivalent pumps shall be available for the spaces occupied by passengers and crew. Each such pump shall be capable of providing a full supply of water, in accordance with the requirements specified in sub-rule (1) of rule XVII, to one or more ranges of water service pipes. The service pipes shall be of metal, with branches so arranged that the fire hoses may be coupled thereto, and two powerful jets of water may be rapidly and simultaneously brought to bear, by means of single lengths of hose from each branch, upon any part of each deck space occupied by passengers or crew, when the watertight and fire doors are closed. Where the water service is on an exposed deck, the branches necesary to comply with the foregoing requirements shall be fitted on both sides of the deck.

Provided that the main engine sanitary pump shall be allowed to count as one of the pumps required to be available if it is so fitted as to be capable of serving the purpose of such pump.

Provided further that where the sanitary pump is counted as one of the fire pumps and where the water service is on an exposed deck there shall be a lid on each side, one lid being from the sanitary tank and the other direct from the auxiliary pumps.

(2) Every steam ship shall carry an efficient portable hand pump with suction and hose complete.

(3) Portable chemical fire extinguishers shall be carried in every compartment wherein passengers and crew are accommodated. There shall be two extinguishers in each such compartment, and when passengers are carried in enclosed spaces above the upper deck, there shall be at least one extinguisher on each side of such space at intervals of not more than 60 feet.

XIII. *Cargo Spaces.*—On every steam ship arrangements shall be made to enable two powerful jets of water to be poured into each cargo compartment, and save in the case of a steam ship of less than 1,000 tons gross tonnage, satisfactory means shall also be provided whereby steam or some other approved fire extinguishing medium may be conveyed to each such compartment.

XIV. *Machinery and bunker spaces.*—(1) In any steam ship which uses coal as fuel, there shall be provided in the machinery and firing spaces, in addition to the apparatus hereinbefore or hereinafter required, at least two chemical fire extinguishers in each compartment. In the coal bunkers arrangements shall be made whereby two powerful jets of water can be brought to bear upon any part of the bunker space by means of single lengths of hoses.

(2) In any steam ship which uses oil fuel, in addition to the usual water service and hose pipe conductors, one of which shall be provided with a nozzle having perforations in it to spray the discharge steam for the auxiliary range of piping shall be led to pipes perforated for the emission of steam into the lower parts of the boiler room. The control of this steam supply shall be outside the boiler room. There shall be in each stokehold a receptacle, holding about 10 cubic feet of sand, saw dust impregnated with bicarbonate of soda, or other approved dry material suitable for extinguishing fire. Suitable scoops for distributing the same shall be provided, and also a chemical fluid extinguisher of an approved type for use in any specially confined or dangerous space.

SAILING SHIPS.

XV.—(1) Sailing ships not exceeding 300 tons burden shall be provided with an efficient steam or hand-pump of a suitable size and

with sufficient hose to reach any part of the vessel. If the tonnage exceed 300 tons to such pumps of adequate size together with sufficient hose shall be provided to enable two powerful jets of water to be brought to bear rapidly and simultaneously on any part of the ship.

(2) In passenger sailing ships chemical fire extinguishers shall be provided on the scale specified in sub-rule (3) of rule XII.

XXII. *Fire Buckets.*—(1) Every ship shall be provided with fire buckets in the proportion of 3 for every 100 tons up to 600, and two for every 100 tons above 600, provided that 50 buckets in all shall suffice.

(2) Fire buckets shall be painted a distinctive colour and shall be kept filled, and distributed about the vessel in conspicuous positions. Wash deck buckets shall not be accepted as fire buckets.

XXIII. *Smoke helmets and safety lamp.*—At least two smoke helmets and a safety lamp of an approved type shall be included in the fire extinguishing equipment of vessels and the helmets shall be stowed separately. The members of the crew shall be practised regularly in their use.

XXIV. *Emergency appliances.*—The necessary emergency fire appliances, such as knives, axes and hand lamps shall be kept in places readily accessible at all times from different parts of the ship.

XXV. *Fire drill.*—Fire drill shall be observed at least once a week on board all vessels and during such drill all fire appliances shall be put into use and the fact entered in the Log Book. The great utility of woollen or asbestos blankets for smothering small fire shall always be impressed on all persons taking part in a fire drill.

XXVI. *Custody of fire apparatus and fire patrol.*—(1) The fire apparatus shall be placed by the master under the special charges of one of the principal officers of the ship and of the ship's carpenter, who shall both be held responsible that the apparatus is kept in a state fit for immediate use. As soon as possible after leaving port, the officers and crews shall be divided into parties and assigned to stations in case of fire.

(2) A continuous patrol system shall be organised so that any outbreak of fire may be promptly detected.

XXVII. *Stowage of cargo and disposal of inflammables*.—(1) The cargo of every ship shall, before she leaves port be properly stowed away, and the decks shall be cleared of loose straw, hay and other inflammable material Any goods which are dangerous by reason of their inflammability or liability to explosion shall be stowed, subject to the provisions of any law or rules in force, in such manner as to safeguard the ship from danger of fire or explosion.

(2) Before a ship leaves port, every passenger shall deliver up any lucifer matches, gunpowder or other inflammable article in his possession.

XXVIII *Use of naked lights and spirits*.—Naked lights shall not be used in the hold or store rooms or between decks, except under trustworthy superintendence. No person shall read in bed with a naked light. Casks or drums containing spirit shall not be opened in the hold but shall be hoisted on deck for the purpose.

F. *Appliances for making Signals of Distress.*

XXIX. *Signals of distress*.—Any of the following commonly recognised night signals of distress may be used either together or separately :—

(1) A gun or other explosive signal fired at intervals of about a minute.

(2) Flames on the vessel (as from a burning tar or oil barrel).

(3) Rockets or shells, throwing stars of any colour or description fired one at a time at short intervals.

(4) A continuous sounding with any fog signal apparatus.

XXX. *Means of making signals of distress to be provided*.—All ships shall be provided with the means for making signals of

distress at night specified in rules XXXI to XXXIV, or, in lieu thereof with such other means of making signals of distress as have been previouly appproved by the Local Government,

XXXI. *Gun.*—(1) One gun at least 3½ inches in the bore, or one mortar at least 5½ inches in the bore, shall be carried on all ships, with 24 charges of ammunition in the case of foreign-going ships, and 12 charges in the case of home-trade or excursion passenger ships.

(2) Each charge shall contain 16 ozs. of powder in a flannel bag. The necessary requisites for firing the gun, *namely*, rammers, sponges, wads, priming wires, friction tubes, powder flask, with fine powder for priming and means for firing and withdrawing the charges shall also be provided.

(3) Approved socket distress signals and sound signal rockets may be carried in lieu of a gun, provided that the number of signals so carried shall be equal to the number of charges of ammunition required under sub-rule (1).

XXXII. *Deck Flares.*—Two deck flares, self-igniting in water, shall be provided in every ship. Such deck flares shall be capable of burning brightly for at least 40 minutes. Full instructions for use shall be attached to each flare, and suitable receptacles for containing the water required for their combustion shall be provided, efficient means being adopted for ensuring a free flow of water to the bottom of the light.

XXXIII. *Rockets and socket signals*–(1) Twelve rockets or shells, throwing stars of any colour or description, shall be supplied, each rocket containing 16 ozs. of composition.

(2) Approved socket distress signals may be supplied in lieu of rockets, provided that the number of signals so supplied shall be equal to the number of rockets required under sub-rule (1). If socket signals are also carried in lieu of a gun and charges of ammunition, the number shall be equal to the total number of charges of ammunition and of rockets required under sub-rule (1) of rule XXX and sub rule (1) of this rule. Socket signals shall be fired only from the sockets supplied by the makers of the signals.

(3) The socket used for firing the socket signals shall in all cases be fixed at an angle of about, but not less than, 20 degrees from the perpendicular, so as to obviate the risk of a signal falling on the vessel's deck if it fails to rise to the usual height. The sockets shall be of sufficient strength, and of such a gauge as to ensure that the signal will rise to a safe height before exploding.

4. In all cases where socket signals are carried there shall be at least sockets one forward and one on opposite side of the vessel.

XXXIV. *Life-buoy lights*—Life-buoy lights, all of which shall open and release automatically and the self-igniting, and provided with means for attachment to life-buoys, shall be supplied in every ship for half the number of life-buoys carried subject to a maximum of six. Life-buoy lights fitted with prickers shall not be accepted Ships fitted with bridges shall carry a life-buoy in beckets or cleats attached to or adjoining each side of the navigating bridge in such a manner as to admit of their instantaneous release and to ensure their dropping clear of the ship's side. Each such life-buoy shall have a self-igniting light attached to it. The other life-buoy lights shall be distributed among and attached to the other life-buoys to the Surveyor's satisfaction. All of the life-buoy lights shall be capable of burning brightly in water for at least 40 minutes. Full instructions as to how the lights should be used shall be attached to each of them

XXXV. *Testing and renewal of signals*—All pyrotechnic signals shall be clearly and permanently marked or stamped with the date of manufacture, Adhesive labels or painted figures alone shall not be accepted in lieu of such marking or stamping. Where sheet brass labels are used in contact with tin cases, the brass plates shall be properly soldered on and there shall be no corrosion of the canister.

XXXVI. *Stowage of signals and combustibles*,-(1)A separate, detached and completely enclosed receptacle shall be provided for each of the following kinds of explosives :-

(1) gun powder or cartridges made therewith ;

(2) rockets ;

(3) socket signals ;

(4) deck flares and life-buoy lights;

(5) any other description of pyrotechnic signals.

(2) Such separate receptacles shall not be merely by divisions or partitions in a cup-board or locker or chest, but each such receptacle shall be a separate magazine, exclusively appropriated to the keeping of explosives of the kind in question. Charges of powder, if carried, shall be contained in flannel bags, and the magazine in which they are kept shall be made of copper and strongly constructed. To prevent injury to the rockets and other signals, the receptacles shall either be internally divided in such a way that the signals can be stowed vertically, or they shall be of roughly the same length as the signals but sufficiently narrow to prevent the signals being turned round. The lids shall be secured by hinges or brass screws as to permit of an inspection being made without injury to the case. The receptacles shall, where possible, be kept in a house on deck, and stowed or ranged as far apart as circumstances will permit so that in the event of spontaneous combustion, or of risk of any sort arising, any of the cases may be at once removed.

Where the socket signals are supplied by the manufacturer in wooden boxes with a tin box inside containing the friction tubes, no other receptacle shall be required for the latter.

(3) No article of an explosive or highly inflammable character shall be carried in any room or place in which any receptacle containing distress signals is deposited.

G.—*Penalty.*

XXXVII.—Whoever does any act in contravention of any of the provisions of rule XII to XXXVI shall be punishable with fine which may extend to two hundred rupees.

2. Rules XVIII, XIX and XX of the said rules shall be re-numbered XXXVIII, XXXIX and XL, respectively.

(Signed) D. T. CHADWICK,
Secretary to "the Government of India."
By order of the Governor in Council,
A. MASIER,
Joint Secretary to Government.

No, T, 1379 dated 30th September 1925.

From Chamber to the Government of Bombay, General Department, Bombay.

With reference to your Circuler No. 1580 C, dated the 21st July 1925 re: apparatus for extinguishing and precautions against fire, I am directed by my Committee to inform you that they have no views to offer.

APPENDIX 19.

THE INDIAN CARRIAGE OF GOODS BY SEA BILL.

No. 3250-G/24 dated 24th March 1925.

From the Government of Bombay Revenue Department, to Chamber.

I am directed by the Governor in Council to forward a copy of Government Resolution No, 3256/24 dated 24th March 1925 and to request that Government may be favoured with the opinion of your Chamber on the provisions of the Bill and specially on the points brought forward in the Memorandum attached thereto.

2. The reply to this reference may, please, be forwarded so as to reach Government by 25th April 1925.

Acts and regulations.

Indian Carriage of Goods by Sea Bill.

Government of Bombay, Revenue Department.

Resolution No. 3256/24,

Bombay Castle, 24th March 1925.

* Letter from the Government of India, Legislative Department No. F-60-I-25-A. C. dated 9th February 1925.

Memorandum from the Legal Department No. 420 dated 20th February 1925.

Resolution.—Copies of the letter from the Government of India and of its accompaniments should be forwarded to the High Court, the Collector of Salt Revenue, Bombay, and the Remembrancer of Legal Affairs and they should be requested to favour Government by 25th April 1925 with their opinon on the provision of the Bill, with special reference to the points brought forward in the memorandum prepared by the Government of India.

2. Copies of the papers should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay and Karachi, the Buyers, and Shippers, Chamber, Karachi, Bombay Native Piece-goods Merchants' Association, the Grain Merchants' Association, the Bombay Presidency Trades Association, the Underwriters' Association, the Associated Exchange Banks and the Central Bank of India, Limited, for favour of their opinon on the provisions of the Bill, with special reference to the points mentioned in the memorandum attached thereto, and they should be requested to send their replies to Government by 25th April 1925.

3. The Bill with the Statement of Objects and Reasons should be published in the *Bombay Government Gazette* and the *Sind Official Gazette*. The Commissioner in Sind and the Manager, Government

* Copy, with copy of enclosures, appended.

Central Press, should be requested to report to Government the dates of publication.

By order of the Governor in Council.

H. K. KIRPALANI,

Deputy Secretary to Government.

No, F-60-I—25-A, C, 9th February 1925.

From the Government of India, to all Local Governments.

With reference to the Debates of the Legislative Assembly of the 4th February, 1921, I am directed to forward herewith copies of the papers noted below* and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of [the Hon'ble the Judges of the (High) Court and of†] such selected officers and other persons as the Governor in Council may think fit to consult on the subject. Opinions are specially requested on the points brought forward in the Memorandum attached.

‡2. I am also to request that the Bill and Statement may be published in the Gazette in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in by the 1st June, 1925.

Memorardum of Points for Opinion.

The object of this Bill dealing with the Carriage of Goods by Sea is to give the force of law to a set of Rules relating to bills of lading

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* Indian Carriage of Goods by Sea Bill with Statement of Objects and Reasons.

Extracts from the Legislative Assembly Debates, dated 4th February, 1925.

which were recommended unanimously by the International Conference on Maritime Law held at Brussels in October 1923. The Rules are the outcome of active discussion which has been proceeding the last few years between representatives of shipowners, shippers, bankers and underwriters of most of the maritime countries on a matter which has been the subject of controversy for more than 20 years. They were agreed to by all the parties concerned.

2. The representatives of the different nations present at the Maritime Conference at Brussels in 1923 unanimously recommended that these Rules should be embodied in the legislation of all countries. The United Kingdom has already adopted them. The Rules are thus an agreed compromise, and there is no question of amending or of altering them. This point was brought out clearly in the Report of the Joint Committee of the Houses of Parliament appointed to examine the Bill embodying these Rules. The opinion of that Committee was as follow :—

"On the whole, while giving full weight to objections about the form and drafting of the Rules, the Committee do not think they outweigh the advantages to be gained by giving statutory force to an agreement concluded by those chiefly affected by the legislation."

The question, therefore, is whether the Rules should be adopted by India or not There is no question of re-drafting the Rules.

3. The other point upon which opinion is specially requested is in regard to the scope of section 5 of the Bill. If these Rules become law, all bills of lading become subject to them, and unless goods have some particular or peculiar quality they must be covered by a bill of lading (vide Article 6 of the Rules). Such peculiar goods can be carried under a non-negotiable agreement which does not purport to be a bill of lading. Section 5 extends this exemption to any kinds of goods which are carried between ports in British India or between India and Ceylon, that is, roughly speaking, in the coasting trade. The point on which opinion is specially requested is whether there is practical need for altering the scope of this section as it is at present drafted, as for instance to cover goods carried between

Burma and the Malay peninsula. This depends largely on a matter of fact whether goods are at present carried to any large extent between such ports on receipts or other documents which do not purport to bills of lading and are not negotiable.

A BILL to *amend the law with respect to the carriage of goods by sea.*

Whereas at the International Conference on Maritime Law held at Brussels in October, 1922, the delegates at the Conference including the delegates representing His Majesty, agreed unanimously to recommend their respective Governments to adopt as the basis of a convention a draft convention for the unification of certain rules relating to bills of lading :—

And whereas at a meeting held at Brussels in October, 1923, the rules contained in the said draft convention were amended by the Committee appointed by the said Conference :—

And whereas provision has been made by the Carriage of Goods by Sea Act, 1924, that the said rules as so amended and as set out with modifications in the Schedule shall, subject to the provision of that Act, have the force of law with a view to establishing the responsibilities, liabilities, rights and immunities attaching to carriers under bills of lading,—

And whereas it is expedient that like provision should be made in British India ; It is hereby enacted as follows :—

Short title and extent.

1. (1) This Act may be called the Indian Carriage of Goods by Sea Act, 1925.

(2) It extends to the whole of British India.

Application of Rules.

2. Subject to the provisions of this Act, the rules set out in the Schedule (hereinafter referred to as "the Rules") shall have effect in relating to and in connection with the carriage of goods by sea in ships carrying goods from any port in British India to any other port whether in or outside British India.

3. There shall not be implied in any contract for the carriage of goods by sea to which the Rules apply any absolute undertaking by the carrier of the goods to provide a seaworthy ship.

Absolute warranty of seaworthiness not to be implied in contracts to which Rules apply.

4. Every bill of lading, or similar document of title, issued in British India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provision of the said Rules as applied by this Act.

Statement as to application of Rule to be included in bills of lading.

5. Article VI of the Rules shall, in relation to the carriage of goods by sea in ships carrying goods from any port in British India to any other port in British India or Ceylon, have effect as through the said Article referred to goods of any class instead of to particular goods and as though the proviso to the second paragraph of the said Articles were omitted.

Modification of Article VI of Rules in relation to coasting trade.

6. Where under the custom of any trade the weight of any bulk cargo inserted in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or the shipper and the fact that the weight is so ascertained or accepted or is stated in the bill of lading, then, notwithstanding anything in the bill of lading shall not be deemed to be *prima facie* evidence against the carrier of the receipt of goods of the weight so inserted in the bill of lading, and the accuracy thereof at the time of shipment shall not be deemed to have been guaranteed by the shipper.

Modification of Rule 4 and 5 of Article III in relation to bulk cargoes.

7. (1) Nothing in this Act shall affect the operation of sections four hundred and forty-six to four hundred fifty, both inclusive, five hundred and two and five hundred and three of the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or the operation of any other enactment for the time being in force limiting the liability of the owners of seagoing vessels,

Saving and operation.

(2) The Rules shall not by virtue of this Act apply to any contract for the carriage of goods by sea before such day, not being earlier than the first day of January, 1926, as the Governor General in Council may by notification in the Gazette of India appoint, nor to any bill of lading or similar document of title issued, whether before or after such day as aforesaid, in pursuance of any such contract as aforesaid.

SCHEDULE.

RULES RELATING TO BILLS OF LADING.

ARTICLE I.

Definitions.

In these Rules the following expressions have the meanings hereby assigned to them respectively, that is to say.—

(*a*) "Carrier" includes the owner or the charterer who enters into a contract of carriage with a shipper :—

(*b*) "Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter-party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same ;

(*c*) "Goods" includes goods, wares, merchandises, and articles of every kind whatsoever, except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried ;

(*d*) "Ship" means any vessel used for the carriage of goods by sea ;

(*e*) "Carriage of goods" covers the period from the time when the goods are loaded on to the time when they are discharged from the ship.

ARTICLE II.

Risks.

Subject to the provisions of Article =I, under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care, and discharge of such goods, shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

ARTICLE III.

Responsibilities and Liabilities.

1. The carrier shall be bound, before and at the beginning of the voyage, to exercise due diligence to.--

(*a*) Make the ship seaworthy;

(*b*) Properly man, equip, and supply the ship;

(*c*) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.

2. Subject to the provisions of Article IV, the carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the goods carried.

3. After receiving the goods into his charge, the carrier, or the master or agent of the carrier, shall, on demand of the shipper issue to the shipper a bill of lading showing among other things.—

(*a*) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage;

(*b*) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper;

(*c*) The apparent order and condition of the goods:

Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.

4. Such a bill of lading shall be *prima facie* evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (*a*), (*b*) and (*c*).

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity, and weight, as furnished by him, and the shipper shall indemnify the carrier against all loss, damages, and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the bill of lading.

The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection.

In any event the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

7. After the goods are loaded the bill of lading to be issued by the carrier, master or agent of the carrier, to the shipper shall, if the shipper so demands, be a "shipped" bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the "shipped" bill of lading, but at the option of the carrier, such document of title may be noted at the port of shipment by the carrier, master, or agent with the name or names of the ships upon which the goods have been shipped and the date or dates of shipment, and when so noted the same shall for the purpose of this Article be deemed to constitute a "shipped" bill of lading

8. Any clause, covenant or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault or failure in the duties and obligations provided in this Article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect.

A benefit of insurance or similar clause shall be deemed to be a clause relieving the carrier from liability.

ARTICLE IV.

Rights and Immunities.

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped and supplied, to and make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception carriage and preservation in accordance with the provisions of paragraph 1 of Article III.

Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this section.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from–

(*a*) act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship :

(*b*) fire, unless caused by the actual fault or privity of the carrier ;

(*c*) perils, dangers and accidents of the sea or other navigable waters ;

(*d*) act of God ;

(*e*) act of war ;

(*f*) act of public enemies ;

(*g*) arrest or restraint of princes, rulers or people, or seizure under legal process ;

(*h*) quarantine restriction ;

(*i*) act or omission of the shipper or owner of the goods, his agent or representative ;

(*j*) strikes or lock outs or stoppage or restraint of labour from whatever cause, whether partial or general ;

(*k*) riots and civil commotions ;

(*l*) saving or attempting to save life or property at sea ;

(*m*) wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods ;

(*n*) insufficiency of packing ;

(*o*) insufficiency or inadequacy of marks ;

(*p*) latent defects not discoverable by due diligence ;

(*q*) any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea, or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.

5. Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with goods in any amount exceeding 100l per package or unit, or the equivalent of that sum in other currency, unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading.

This declaration if embodied in the bill of lading shall be *prima facie* evidence, but shall not be binding or conclusive on the carrier.

By agreement between the carrier, master or agent of the carrier and the shipper another maximum amount than that mentioned in this paragraph may be fixed, provided that such maximum shall not be less than the figure above named.

Neither the carrier nor the ship shall be responsible in any event for loss or damage to or in connection with goods if the nature or value thereof has been knowingly mis-stated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier, has

not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.

If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

Article V.

Surrender of Rights and Immunities, and increase of Responsibilities and Liabilities.

A carrier shall be at liberty to surrender in whole or in part all or any of his rights or immunities or to increase any of his responsibilities and liabilities under the Rules contained in any of these Articles, provided such surrender or increase shall be embodied in the bill of lading issued to the shipper.

The provisions of these Rules shall not be applicable to charter-parties, but if bills of lading are issued in the case of a ship under a charter-party they shall comply with the terms of these Rules. Nothing in these Rules shall be held to prevent insertion in a bill of lading of any lawful provision regarding general average.

Article VI.

Special Conditions.

Notwithstanding the provisions of the preceding Articles, a carrier, master or agent of the carrier, and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or his obligation as to seaworthiness, so far as this stipulation is not contrary to public policy, or the care or diligence

of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care and discharge of the goods carried by sea provided that in this case a bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a non-negotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect:

Provided that this Article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments whether the character or condition of the property to be carried or circumstances, terms and conditions under which the carriage is to be performed, are such as reasonably to justify a special agreement.

Article VII.

Limitations on the Application of the Rules.

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to or in connection with the custody and care and handling of goods prior to the loading on, an subsequent to, the discharge from the ship on which the goods are carried by sea.

Article VIII.

Limitation of liability.

The provisions of these Rules shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of sea-going vessels.

Article IX.

The monetary units mentioned in these Rules are to be taken to be gold value.

Statement of Objects and Reasons.

A bill of lading was originally a receipt for the goods placed on a ship and also a document for transferring the title of the goods to the consignee. With the development of trade, it became recognised as a negotiable instrument in which shippers, the carriers and the consignees or purchasers of the goods as well as bankers and underwriters became increasingly interested. Concurrently with this it became the custom to show on the bill of lading the terms of the contract on which the goods were delivered to and received by the ship, and from time to time new classes were added usually in the direction of contracting the carrier out of liability for some kind of loss or damage to the goods. There thus arose great diversity between the conditions on which goods were carried by sea and considerable uncertainty about the liability which still attached to the carrier.

2. There has been a demand for many years among the different commercial interests which handle bills of lading for uniformity among all maritime countries in the definition of the liabilities and risks attaching to the carrier of goods by sea. Some countries e.g., Canada, Australia and the United States of America, enacted legislation prohibiting carriers of goods by sea from contracting themselves out of certain kinds of liability. The matter was discussed at several International Conferences between shipowners, Shippers and bankers in an attempt to secure the universal adoption of an agreed set of rules.

3. A code of rules was drawn up in 1921 by the International Law Association at the Hague. These were subjected to criticism by the various interests affected till finally agreement was reached at the International Conference of Maritime Law held in Brussels in October, 1922 and again in October, 1923. A code of rules defining the responsibilities and liabilities to which a carrier of goods by sea should be subject and also the rights and immunities he was entitled to enjoy was drawn up and it was unanimously recommended that every country should give legal sanction to

these rules. The United Kingdom has done so by the Carriage of Goods by Sea Act (14 and 15 Geo. 1924). It is proposed to do the same in India by this Bill.

4. This Bill follows closely the English Act. The agreed code of Rules are reproduced in the Schedule. Clause 5 of the Bill exempts from those rules goods carried in the coasting trade under documents other than bills of lading, whilst clause 6 saves the carrier from claims for shortage of weight in certain cases of bulk shipments, where, by the custom of the trade, the weight entered in the bill of loading is a weight ascertained or accepted by a third party other than the carrier or shipper and this fact is so stated in the bill of lading.

The 19th January, 1925. C. A. INNES.

Extract from the Legislative Assembly Debates, Vol. V. No. 10.

The Assembly met in the Assembly Chamber, Imperial Secretariat, Delhi, on Wednesday, the 4th February, 1925.

* * * * *

THE INDIAN CARRIAGE OF GOODS BY SEA BILL.

The Honourable Sir Charles Innes (Commerce Member): I beg to move for leave to introduce a Bill to amend the law with respect to the carriage of goods by sea.

This Bill looks a very formidable document and I must admit that it deals with a very difficult and technical subject. At the same time I hope that the Bill will be entirely non-controversial. It proposes to give statutory force to certain rules which define the risks to be assumed by sea carriers. It is the result of very long controversy between shippers and ship owners into which I need not go at present. I need only say that the controversy dates back as far as 1893 when the United States of America deemed it necessary to interfere with the freedom of contract between shippers and ship owners by what is

called the Harter Act. Other Governments followed suit and about 1921 a move was inaugurated in Europe to carry on the same process. The Statement of Objects and Reasons traces the history of that movement. A code of rules was drawn up as far back as 1921 by the International Law Association at the Hague. Various other conferences have been held and the rules to which it is proposed now to give statutory force represent an agreement between shippers and ship owners. At one time it was intended that these rules should merely be left for voluntary adoption but difficulties arose and it is now hoped that all maritime countries will adopt these rules. That, Sir, is all I need say at this stage.

The motion was adopted.

The Honourable Sir Charles Innes: I introduce the Bill.

The Honourable Sir Charles Innes: I beg to move that the Bill be circulated for the purpose of eliciting opinions thereon. I may say that we have already consulted Chambers of Commerce, Indian and European, about the principle of this Bill. That was in 1921 and they all agreed to the principle of the Bill but we wish to consult them because in the first place we want them to see the rules as they have finally emerged from the international agreement. In the second place we want to consult them about clause 5 of the Bill, namely, the application of these rules to the coasting trade.

The motion was adopted.

No. T 511 20th April 1925.

From Chamber to the Government of Bombay Revenue Department.

I am directed to send views of the Committee of this Chamber in reply to your letter of the 24th March 1925, No 3256-G-24, with reference to the Indian Carriage of Goods by Sea Bill.

2. The memorandum accompanying the letter from the Government of India asks two questions-one is whether the Rules relating to

Bills of Lading accepted as the Schedule to the Bill before us should be adopted by India or not. It is observed that "there is no question or re-drafting the rules". Under the circumstances, my Committee are in favour of the Rules being adopted by this country, though if they were at liberty of suggesting amendments they would have proposed amending Rule No. 6 of Article III, which, it is feared, may inflict some hardship upon consignees. My Committee agree with the Joint Committee of the House of Parliament that the objections against the Rules do not outweigh the advantages to be gained by giving statutory force to an agreement concluded by those chiefly affected by the Legislature. The other question asked in the aforesaid memorandum is with regard to the scope of Section 5 of the Bill. My Committee fear that the application of Article VI of the Rules to the Coasting trade of this country will be seriously detrimental to it as all such receipts which be passed in lieu of Bills of Lading shall be deemed non-negotiable. A large amount of the coasting trade is being carried on at present with the facility of Bills of Lading being treated as negotiable instruments and if this facility is taken away there will be a marked depreciation in trade. My Committee, therefore, suggest that Article VI should not be applied to the coasting trade and that Section 5 of the Bill should be amended accordingly.

APPENDIX 20.

APPLICATION OF INDIAN WORKMEN'S COMPENSATION ACT TO INDIAN SEAMEN.

No. 569/1827 M. 16th January 1925.

From the Government of Bombay Marine Department to Chamber.

I am directed by the Governor in Council to address your Chamber on the subject of the application of the provisions of the

Indian Workmen's Compensation Act, 1923, to Indian seamen. As your Chamber may be aware, the Act is extremely limited in its application to seamen. The great majority of Indian seamen serve in ships registered under the British Merchant Shipping Act, 1894, and in respect both of these seamen and of seamen serving in foreign ships, legal difficulties stood in the way of a wider application of the Workmen's Compensation Act. Since the Act was passed, the Government of India, in accordance with a promise given to the Legislative Assembly, have been exploring in consultation with the Secretary of State, the possibility of extending the benefits of the Act to Indian seamen serving on British ships.

2. The Government of India at first hoped that it might be possible, by means of enabling legislation in the Imperial Parliament, for them to obtain powers to undertake the necessary amendment of the Workmen's Compensation Act in this country. But as a result of the discussions which have taken place with the Authorities in England, they recognize that the legal and other obstacles in the way are serious. A suggestion has, however, been put forward by the shipowners' representatives in England, which points the way to a more practicable and equally effective remedy.

3. The suggestion of the shipowners is that, in the case of Indian seamen engaged on Indian Articles, the form of which is prescribed by the Government of India, the shipowners should give an undertaking to be embodied in the Articles to pay compensation in accordance with the provisions of the Indian Workmen's Compensation Act in respect of accidents occurring whether in or beyond Indian waters. This undertaking, which it is contemplated, would be enforceable before Indian tribunals, would be without prejudice to any rights, which the seamen or his dependants may possess, and may be able to exercise under the British Acts, the shipowners being prepared to take the risk of a claim being made under the British Acts, notwithstanding the compensation had been paid in accordance with the undertaking in the Articles, on the assumption that any compensation so paid could be set-off against any compensation due under the British Acts. Such an arrangement would not involve any contracting out of the British Acts, and the shipowners would

not object to the inclusion in the Articles of some general words to the effect that the undertaking should affect any other rights possessed by the seamen. It is proposed that this arrangement should be limited to seamen engaged on Indian Articles, as in the case of those engaged on European Articles, strong objection would be taken to any differentiation between Indian and British seamen.

4. The Governor in Council is inclined to think that this suggestion offers the best prospect of a solution of the main difficulty. He would, however, be glad to be furnished with the views of your Chamber on the subject.

5. In order to make the proposal outlined in paragraph 3 above clear, a draft clause, which, it is proposed to add as a separate slip to the main Articles of Agreement, is appended.

Additional stipulations which may be entered into between the Master of the ship on behalf of the owner of a British ship and such of the crew as are natives of India.

It is further agreed that, in the event of any lascar or other native seamen whose name is hereto subscribed sustaining any personal injury by accident arising out of or in the course of his employment under this agreement, the owner of the ship shall pay such amount of compensation as he would have been liable to pay if at the time of the accident the ship had been a registered ship within the meaning of clause (j) of sub-section (1) of Section 2 of the Workmen's Compensation Act, 1923, being Act No. VIII of 1923 of the Indian Legislature, and the person injured had been a person forming part of the crew thereof; and it is further agreed that in the event of any question arising under these stipulations as to the liability of the owner to pay compensation or as to the amount or duration of compensation (including any question as to the nature or extent of disablement), the question shall, in default of agreement, be settled by the Commissioner for Workmen's Compensation appointed for under

Section 20 of the said Workmen's Compensation Act, 1923. And it is further agreed that the decision of the said Commissioner shall be final.

No. 342 13th March 1925.

From Chamber to the Government of Bombay, Marine Department.

With reference to your Letter No. 569/336 M, dated the 2nd March 1925, I am directed by my Committee to inform you that they have no objection to Government applying the provisions of the Indian Workmen's Compensation Act, 1923, to Indian seamen.

APPENDIX 21.

RECOMMENDATIONS OF THE DECK PASSENGER COMMITTEE.

No. 1380/10402 C. 19th August 1925.

From the Government of Bombay General Department to Chamber.

I am directed by the Governor in Council to forward for the information of your Chamber copies of a Resolution issued by the Government of India in the Department of Commerce, No. 535-S dated the 25th July 1925, and its accompaniment, and to request that you will be so good as to communicate to Government, by the 1st October at the latest, any alterations which your Chamber may consider necessary in the draft notification accompanying the Resolution of the Government of India.

No. 555 S. the 25th July 1925.

Government of India Department of Commerce.

Resolution re Shipping.

Read :—

I. Letter No. 30R 22, dated the 3rd April 1922, from the Government of Burma, Finance and Revenue Department.

2. Letter No. 220, dated the 22nd May 1922, from the Government of Madras, Finance (Marine) Department.

3. Letter No. 2500 dated the 30th August 1922, from the Government of Bengal, Marine Department.

4. Letter No. 1380 C dated the 16th February 1923, from the Government of Bombay, Marine Department, with their respective enclosures replying to Government of India, Commerce Department Letter No. 6372, dated the 4th November 1921 on the subject of the recommendations made in the report of the Deck Passenger Commitee, 1921

1. This resolution relates to those portions of the report of the Deck Passenger Committee, 1921, which deal with the classification of voyages as long and short and with the minimum amount of space to be allotted to deck passengers under the Indian Merchant Shipping Act, 1923.

2. The Deck Passenger Committee and the maritime Local Governments are agreed that the present rules require amendment but there is no unanimity on the details of the changes needed. The Government of India have accordingly formulated their provisional conclusions in the draft notification attached to this resolution. The rules now issued embody the principle of further Sub-division of voyages which are now classed as short, and provide for an increase in space accommodation. The maritime Local Governments will be requested to report for inclusion in a special schedule, short voyages

of less than 24 hours' duration between terminal ports, for which they advise special space allowances.

3. The space allowances have been expressed in the present form *viz.*, occupation space plus an airing space for each between-deck passenger. A flat rate of space allowance, whilst it would have the appearance of simplicity, is open to the objection that it would make it appear permissible to carry passengers between decks without permitting them access to the upper deck, where ventilation is freer.

4. Any suggestions on this draft notification should be received by the Government of India before November 1st.

Order.—Ordered that a copy of this resolution be forwarded to the Governments of Madras, Bombay, Bengal and Burma, with a request that the Local Governments, after consulting commercial and other interest affected, will communicate to the Government of India by the 1st November 1925 any alterations they consider necessary and a list of voyages of less than 24 hours' duration between terminal ports which they recommend should be specially scheduled together with the space allowance they advise for each such voyage.

D. T. Chadwick,

Secretary to the Government of India.

Draft Notification.

In exercise of the powers conferred by section 192 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), and in supersession of the notification of the Government of India in the late Department of Finance and Commerce, No. 1356, dated 14th March 1889, the Governor General in Council is pleased to prescribe the number of superficial and of cubic feet of space to be available for native passengers in native passenger ships in accordance with the order herein after set forth, and to direct that the said order shall override the requirements on that subject of sub sections (1) and (3) of section 176 of the said Act.

Order

(1) that if in any native passenger ship and for any voyage to which the provisions in the Act, relating to native Passenger Ships apply any passenger is by contract entitled to be accommodated with space in excess of the minimum which section 176 (2) or section 179 of the said Act or rules, 5, 6, 7, and 9 of these rules require the ship to contain for each passenger, the said ship shall contain for each such passenger the space to which he is so entitled, and in addition thereto for every other passenger the space required by section 176(2) or section 179 of the said Act or rules 5, 6, 7, 8 and 9 of these rules, as the case may be.

(2) that if in any native passenger ship and for any voyage to which the provisions in the Act relating to Native Passenger Ships apply the height between decks is less than six feet, the cubic space required for every passenger under section 176 (2) and 179 of the Act (or rules 5, 6, 7, 8 and 9 of these rules) shall be increased by one fourth.

(3) that in every native passenger ship which proceeds on a "Long voyage" so much of the upper deck shall be left unencumbered as to allow at least six superficial feet thereof for each passenger proceeding on the voyage.

(4) that no native passenger ship making a voyage between India and any of the ports in the Red Sea shall carry native passengers on two between-decks.

(5) that every native passenger ship performing a voyage either between a port on the west coast of India and a port in the Red Sea, or between Aden and any port on the east coast of Africa, south of 10 degrees north, whether the ship touches at any intermediate port or not, shall, if the ship is propelled by sails, contain in the between-decks not less than 12 superficial feet and 72 cubic feet of space for every passenger, and shall, if the ship is propelled by steam, or partly by steam and partly by sails, contain in the between decks not less than 10 superficial feet and 60 cubic feet of space for every passenger;

(6) that for season of fair weather, a native passenger ship performing a short voyage which in ordinary circumstances, will not exceed seventy two hours between the terminal ports, shall contain in the upper between deck at least eight superficial feet and forty eight cubic feet of space, available for each such upper between-deck passenger, and on the upper deck at least four superficial feet available for each such upper between-deck passenger and eight superficial feet available for each upper-deck passenger :

(7) that for seasons of fair weather, a native passenger ship performing a short voyage which in ordinary circumstances, will exceed seventy two hours between the terminal ports, shall contain in the upper between-deck passenger, and on the upper deck at least four superficial feet available for each such upper between-deck passenger and nine superficial feet available for each upper deck passenger :

(8) that for seasons of foul weather, a native passenger ship propelled by steam, or partly by steam and partly by sails, and performing a short voyage shall contain in the upper between-deck at least ten superficial feet and sixty cubic feet of space available for each such upper between-deck passenger, and on the upper-deck at least five superficial feet available for each such upper between-deck passenger and ten superficial feet available for each upper-deck passenger :

(9) that every native passenger ship which may be permitted to carry native passengers on two between-decks, shall contain space in the lower between-deck or orlop deck for each such passenger as follows :—

Short Voyages.

	Fair weather.			Foul wheather.		
	Upper deck.	Lower between-deck.		Upper deck.	Lower between-deck.	
	s. ft.	s. ft.	c. ft.	s. ft.	s. ft.	c. ft.
Steamships ...	4	13	72	4	15	90

Long Voyages.

	s. ft.	c. ft.
Sailing ships	20	120
Steamships	15	90

but no passenger shall be carried on any lower between-deck or orlop deck when the height of such deck is less than six feet from deck to deck.

GENERAL DEPARTMENT.

Bombay Castle, 17th June 1925.

No. 1380-C.—The following notification by the Government of India, Department of Commerce, is republished :—

"Shipping."

No. 555-S., dated Simla, the 13th June 1925.

The following draft of certain amendments to the rules published with the notification of the Government of India in the Finance and Commerce Department No. 1354, dated the 14th March 1889, which it is proposed to make in exercise of the powers conferred by sub-section (8) of section 191 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), is published as required by sub-section (4) of the said section for the information of all persons likely to be affected thereby, and notice is given that the draft will be taken into consideration by the Governor General in Council on or after the 1st November 1925. Any objection or suggestion which may be received from any person with respect to the draft before the said date will be considered by the Governor General in Council.

Draft Amendments.

1. After sub-rule (3) of rule I of the said rules the following sub-rule shall be inserted, namely—

(4) In every open deck on any such ship there shall be provided at least 2 taps forward and 2 taps aft with an efficient cant piece or a water barrel to be regularly kept filled with fresh drinking water.

2. For rules IV, V and VI of the said rules the following rules shall be substituted, namely--

IV. (1) Every such ship shall be fitted with not less than two permanent latrines for the exclusive use of every hundred passengers or fraction thereof, calculated on the maximum number of passengers which according to Certificate A, the ship is certified to be capable of carrying :

Provided that no such ship shall be required to be fitted with more than sixty latrines for the use of passengers.

(2) The crew of the ship shall not while passengers are on board be allowed to use the latrines set apart for passengers but shall be provided with a separate set of latrines.

(3) A proportion not exceeding 15 per cent. of the total number of latrines with which such ship is required to be fitted for the use of passengers shall be set apart for the exclusive use of females. The entrance to latrines so set apart shall be by a different route from that provided for latrines set apart for the use of males.

(4) The latrines for males and females shall be indicated by means of a figure of a man and a woman respectively.

(5) Where structural conditions permit, the latrines shall be in a convenient and accessible place, both forward and aft, on every deck above the between deck, other than the poop and bridge decks, on which passengers are permitted to be carried under Certificate A.

(6) Every latrine shall be provided with a sufficient supply of water, by means of a tap, for purposes of ablution.

(7) Every latrine shall consist of a separate and private compartment, which shall have a separate entrance with a spring door and be fitted with a low platform. The walls at the side and back of these platforms shall as far as possible, be continuous.

(8) Every latrine shall be fitted with an automatic intermittent flushing device and be provided with facilities for flushing whether the ship is at rest or moving.

(9) No such ship coming under survey for the first time after the issue of these rules shall be permitted to be fitted with latrines of the pan and handflush type.

(10) A special staff of sweepers shall be employed on every such ship at the rate of one sweeper for every 12 latrines with which ship is required to be provided under sub-rule (1) of this rule.

V. Every such ship shall be provided with and have available for the use of passengers not less than two places for washing sufficiently screened from the public view of which places at least one shall be set apart for the exclusive use of females. The washing places shall be so situated that it will not be necessary to enter the latrines in order to reach them.

A sufficient number of hand pumps shall also be provided for supplying water for purposes of ablution.

VI. (1) When cattle are carried *on the open deck*, and are not under cover, the space occupied by them shall be effectually shut off from the passenger space by bulkheads, wooden partitions or otherwise. The partitions

need not be close ; but efficient wash boards shall be fitted to prevent the dung and urine of the cattle from getting on to the passenger space.

(2) If cattle are carried under cover on the same level deck as passengers they shall be separated from the passenger space by a moveable close bulkhead running athwartships across the deck and extending from the deck to the covering above or by some other efficient means.

(3) If cattle are carried either in the between decks or holds the passenger space shall be effectually shut off from the cattle space, and separately ventilated, so that no effluvia from the cattle space can escape into the passenger space.'

3. To sub-rule (2) of rule XIX of the said rules the following shall be added, namely—

'and shall also state the number of passengers for whom space becomes available.'

(Signed) D. T. Chadwick,

"Secretary to the Government of India."

By order of the Governor in Council,

C. W. A. TURNER,

Secretary to Government.

No. T. 1372 dated 30th September 1925.

From Chamber to the Government of Bombay General Department.

I am directed by my Committee to acknowledge the receipt of your letter No. 1380/10402-C of the 19th August 1925 together with enclosures. My Committee approve of the scale proposed by

the Government with regard to the space allowances to be allotted to the deck passengers in Native passenger ships with the following modifications :—

1. That Order No. 6 under the draft notification should be modified as follows :—

> "That for seasons of fair wheather a native passenger ship performing a short voyage which in ordinary circumstances will not exceed 72 hours between the terminal ports shall contain in the upper between deck at least 9 superficial feet and 54 cubic feet of space available for each such upper between deck passenger and on the upper deck at least 4 superficial feet available for each upper deck passenger."

In order that the between deck passengers may have the full benefit of the airing space provided for them by law on the upper deck, my Committee strongly recommend that a notice in English and Vernaculars be placed in a prominent position on each upper deck indicating the total number of passengers that such upper deck is allowed to carry, and that the between deck passengers are entitled to come on the upper deck for airing purposes.

With reference to the notification issued by the Government of India, Department of Commerce, under the heading 'Shipping' No. 555-S dated Simla the 13th June 1925, my Committee approve the draft amendments published therein in regard to the sanitary conditions for the passengers except that they suggest under rule No. 10 that instead of one sweeper two sweepers should be provided for each 12 latrines.

With reference to the carriage of cattle dealt with under VI (iii), my Committee would strongly urge on the Government the necessity of effectual partition between the passengers and the cattle carried so that not merely should the area be separately ventilated but that necessary arrangements should be made to prevent the water etc. from the cattle area from running into the space reserved for passengers.

APPENDIX 22.

EMPLOYMENT OF LASCARS IN NORTHERN LATITUDES DURING WINTER MONTHS.

No. 1985, dated 12th September 1925.

From Shipping Master, Bombay, to Chamber.

I have the honour to forward herewith an extract from the letter of the Government of India, Department of Commerce No. 232-S, dated the 23rd June 1925, with the copies of the Board of Trade's letters of the 8th and 17th April 1925 and request that you will be good enough to furnish me with the views of the Shipping Companies concerned, on the question raised therein at a very early date.

Copy of extract from the letter of Government of India, Department of Commerce No. 232-S, dated the 23rd June 1925.

"2." I am to request that the Government of India may be favoured with an expression of the views of the Local Government, and also of Shipping interests likely to be interested on the advisability of amending clause (b) of the first proviso to the Lascar form of agreement on the lines proposed in the Board of Trade's letters of the 8th and 17th April 1925 instead of as originally suggested in the letter from this Department No. 232-S, dated the 30th April 1924.

M-18425/24, dated 8th April 1925.

Mercantile Marine Department, Board of Trade.

In reply to your letter (E. & O.-4647/24) of the 20th November last, regarding the proposals of the Government of India in connection with the employment of Lascars on voyages during the winter

months in northern latitudes, I am directed by the Board of Trade to state, for information of the Secretary of State for India in Council, that they have given careful consideration to the modifications proposed to clause (b) of the first proviso to the first clause of the Lascar Agreement.

2. The proposed new proviso defines certain ocean areas within which the employment of lascars during the winter months is either prohibited or is permitted only on definite conditions. These areas (which may be termed briefly "prohibited areas") are bounded by meridians of longitudes and parallels of latitudes, and if plotted on a Mercator chart they would be rectangular in form.

3. I am, however, to point out that the course taken by full powered steam ship on an ocean voyage normally approximates to a great circle on the earth's surface, and this course if plotted on a Mercator chart would take the form of a sine curve, arching towards the North in the Northern hemisphere and towards the South in the southern hemisphere. Consequently the course of a steamer proceeding direct from, say Gibraltar (latitude 36° North) to New-port News (latitude 37° North) would in mid Atlantic go as far North as the 42nd parallel of latitude. Similarly, a steam ship proceeding from a port in Great Britain to any port on the Eastern coast of the United States would, for a considerable part of the voyage, be within the proposed prohibited area in the Western part of the North Atlantic; and a vessel proceeding by the shortest route from Hongkong (Latitude 22° North) to San Francisco (latitude 38° North) would reach the 48th parallel of latitude during the course of the voyage.

4. The Master of a ship is required by law to record in his official log the names of the ports which the vessel visits and the dates of entering and leaving them, but he is under no obligation to record the route followed between any two ports, and it will not be obvious, on the completion of a voyage whether the ship has or has not proceeded to the North of a particular parallel of latitude. Consequently, if the prohibited areas are defined in the manner proposed by the Government of India, it is difficult to see how the restriction can be enforced.

5. In the circumstances it seems desirable to consider whether there is any practicable alternative method of defining the prohibited areas. The object of the provision is presumably to prevent the employment of Lascars in too cold a climate, and the ideal boundary line of a prohibited area would be the line beyond which the temperature of the air is liable to fall below a certain definite minimum. Unfortunately, so far as the Board can ascertain, data from which such a line could be constructed are not available. The best information bearing on the problem which the Board have been able to obtain is that contained in the charts, published in many works of reference, showing the isotherms for the mean air temperature for each month of the year. The Board are advised that too much reliance must not be placed on these charts, as the data from which they are constructed are not unimpeachable; but they are nevertheless of opinion that these charts for the best basis at present available for the consideration of the problem.

6. It will be obvious, from an inspection of one of these charts, that the isotherms do not correspond even approximately with parallels of latitude. By a curious coincidence, however, they correspond much more closely, both in the North Atlantic and in the North Pacific, with certain of the great circle of courses ordinarily followed by an ocean-going steamers, and this fact makes it easier to adopt the isotherms as a basis for the geographical restrictions on the employment of the lascars at sea. The Board have accordingly taken as the basis of the following suggestions the isotherms indicating the mean air temperatures for the month of January, which appears to be, on an average, the coldest month of the year in the regions now under consideration. They suggest that a mean air temperature 45° Fahr should in general be regarded as the minimum suitable for the employment of lascar on deck at sea and they have framed the following proposals on this basis.

7. In the North Pacific the great circle course for steamers proceeding from Hong Kong, Shanghai or Yokohama to Vancouver follows approximately the same lines as the isotherm representing a mean air temperature of 40° Fahr; and, owing to the configuration of

the coasts, the great circle course for steamers proceeding from any of these three ports to San Francisco is not very far to the Southward of that line. The mean air temperature of the terminal ports of Hong Kong and San Francisco, however, is higher and there would appear to be no objection to a vessel entering either of these two ports with a lascar deck crew during the winter months, so long as such crew is not employed on the direct voyage between the two ports. The Board have some doubts as to the advisability of extending a similar permission to the ports of Shanghai and Yokohama, but on the whole they would suggest that vessels carrying Lascar deck crews might be allowed to enter these ports, seeing that in port sea watches will presumably be suspended and it should, therefore, be easier for the Lascars to keep warm. If the Government of India agree with this view, the employment of Lascar deck crews on voyages from Hong Kong, Shanghai or Yokohama to San Fransisco, via Honolulu will be permitted.

8. The Board would accordingly suggest that the unrestricted employment of Lascar deck crews during the winter months in the North Pacific should not be permitted north of the great circle coast ordinarily followed by full powered steamers proceeding from Shanghai or Yokohama to Honolulu and from Honolulu to San Francisco. Indeed, the desirability of permitting the employment of Lascar deck crews even conditionally, on voyages north of these lines would seem to be open to question, since such voyage would normally take them into an area where the mean air temperature during January is not higher than 40° and employment of Lascar deck crews in the corresponding area in the North Atlantic as always (except during the war) been prohibited unconditionally. It may be observed at the same time that when effect is given to the recommendations in the Report of the Load Line (Zones Committee) (copies of which have already been sent to the Government of India) this will tend to reduce the number of ships proceeding North of 36° North latitude in winter.

9. As regards the employment of Lascars between decks in the engine rooms and stewards' department under special agreement

voluntarily undertaken by members of the crew, the Board would suggest that the georgraphical limit should be to the southward of the isotherm representing a mean air temperature of 32° Fahr. A suitable northerly limit for the employment of Lascars under these conditions in the North Pacific would be the great circle course ordinarily followed by full powered steamer proceeding from Shanghai to Yokohama thence to Vancouver.

10. In the North Atlantic the position is somewhat more complicated, since the steamers trading between Great Britain and the United States generally pass well to the southward of New Foundland in order to minimise the risk of meeting ice. Vessels belonging to Lines which are parties to the North Atlantic steam-ship Tracks Agreement shape their course to pass through a fixed point to the southward of New Foundland. Different points are fixed for different seasons of the year, and, in order to minimise the danger of collision, the point for vessels proceeding from Great Britain to America is different from the point for vessels proceeding in the opposite direction. The positions of the various points are defined in the Notice on the North Atlantic Steamship Routes which is printed on pages 138–142 of the enclosed summary of Notices to Mariners. The actual routes from the North of Ireland to North America, as laid down in accordance with the Tracks Agreement, are shown in the enclosed route chart, on which the January isotherms showing mean air temperature of 40, 50 and 60 degree Fahr. respectively have been plotted for purposes of comparison. It will be seen that isotherm for the mean air temperature of 45°, the approximate position of which can be found by interpolation would correspond approximately with the routes between the North Ireland and the points marked C (September 1st to January 31st) and B (February 1st to March 31st) and thence to New port News at the entrance to Chesapeak Bay. The Board would accordingly suggest that the northern limit for employment on deck in the North Atlantic should be great circle course ordinarily followed by steamers proceeding between Glasgow and New port News following the routes laid down in the North Atlantic Steam Ship Routes Agreement, so far as it is applicable.

11. The Board observe that the proposed prohibited area in the North Atlantic is bounded on the West by the 76th meridian of longitude, and that consequently it would be permissible to employ lascar deck crews in Chesapeake Bay as far north as Baltimore or beyond, which is prohibited under the existing proviso, The climate in Baltimore is, the Board understood, quite cold in winter and the Board are not aware of any special reason for making a special exception in favour of voyages to that port. The Board also observe that no restriction is proposed on the employment of Lascars on deck in longitudes between 40° West and 10° East and that consequently it would be permissible under the proviso as drafted to take Lascar deck crews on voyages to Norway, to Iceland and even to Greenland. The Board question the desirability of this and would suggest that the restrictions proposed in the preceding paragraph of letter should apply to the North Atlantic and not only to those parts which lie between the 40th and 76th meridian.

12. As regards the employment of Lascars between the decks under a special voluntary Agreement, the Board would suggest that a limit should be the great circle course ordinarily followed by a steamer proceeding from Bergen to Boston. Such a line would not enter the region in which the mean air temperature of January is less than 32°, except possibly in the immediate neighbourhood of Boston.

13. In the North Sea the mean air temperature for January appears to be less than 40°, throughout; and a strict application of the principles indicated above would lead to the entire prohibition of the employment of Lascars on deck in the North Sea during the winter months. Having regard however, to the shortness of the voyage from the Eastern coast of Great Britain to such ports as Antwerp, Rotterdam and Hamburg, the Board think it not unreasonable to permit the employment of Lascars on such voyages, but they would suggest that the Northern limit should be the course ordinarily taken by steamers proceeding between Leith and Hamburg.

14. The employment of Lascars in the Baltic during the winter should in the Board's opinion, be entirely prohibited,

15. The Government of India concur in the fore-going suggestions, the proviso in the lascar agreement might be amended to read as follows :—

(b) During the said period the said crew shall not serve between the 1st October in one year and the 31st March in the succeeding year, anywhere in the Baltic Sea; or.

(2) In the North Atlantic or North Sea north of the great circle courses ordinarily followed by steamers proceeding between Glasgow and Newport News (following the route laid down in the North Atlantic steamship Tracks Agreement so far as it is applicable) and between Leith and Hamburg, except under special agreement voluntarily undertaken by members of the said crew employed solely between decks in the engine and stewards' departments to serve on voyages not further North than the great circle course ordinarily followed by steamers proceeding between Bergen and Boston, Mass; or.

(3) In the North Pacific or China Sea north of the great circle courses ordinarily followed by steamers proceeding from Shanghai to Yokohama, thence to Honolulu and thence to San Fransisco, save under special agreement voluntarily undertaken by members of the said crew employed solely between decks in the engine and stewards' departments to serve on voyages not further north the great circle course ordinarily followed by steamers proceeding from Shanghai to Yokohama and thence to Vancouver.

16. A note might be added explaining that in accordance with the North Atlantic Tracks Agreement, a vessel proceeding between this country and the United States between the 1st September and the 31st January would cross the meridian of 50°. W. in 43°. N. on the westward voyage and in 42°. N. on the eastward voyage; and that between 1st February and 31st March such vessel would cross the meridian of 47°. W. in 41°. 30′ N. on the westward voyage and in 40°. 30′ N, on the eastward voyage.

17. The Board would be glad to be notified, in due course of the decision of the Government of India in the matter.

I have etc.

(sd) G. E. Baker.

To

The Under Secretary of States,

India Office, S. W. 1.

Copy.

M.-18425/24, 17th April 1925.

Mercantile Marine Department, Board of Trade.

With further reference to your letter of the 20th November 1924 (E. & O.-4647/24), I am directed by the Board of Trade to state, for the information of the Secretary of State for India in Council, that their attention has been drawn to the fact that certain steamers employing Lascar deck crews habitually proceed to Dundee and thence round the North of Scotland to Glasgow during the winter months. The employment of lascar deck crews on such voyages would be prohibited under the proviso suggested in paragraph 15 of the Board's letter of the 8th April, but having regard to the fact the temperature of the air in the course of such a voyage is not, on the average, likely to be lower than on a voyage from Leith to Hamburg, the Board are disposed to think that such employment might still be permitted. They would accordingly be glad if paragraph (2) of the proviso suggested in their letter could be amended to read as follows :—

(2) In the North Atlantic or North Sea north of the great circle courses ordinarily followed by steamers proceeding between Great Britain and Newport News (following the

routes laid down in the North Atlantic Steamship Tracks Agreement, so far as it is applicable) and between Great Britain and Hamburg, except,

I am etc.

(sd.) G. E. Baker.

The Under Secretary of State,

Economic and Overseas Department.

No. T 1647 18th November 1925.

From Chamber to the Shipping Master.

With reference to your letter No. 1985, dated the 12th September 1925, I am directed by my Committee to inform you that they have no views to offer on the above question, but they hope that no legislation would be undertaken by the Government of India which would even remotely affect the lines of employment open to the Indian lascars today.

APPENDIX 23.

LIFE SAVING APPLIANCES ON NATIVE SHIPS.

No. 3082/14886 C. 31st October 1925.

From the Government of Bombay General Department to Chamber.

I am directed by the Governor in Council to forward for the information of your chamber a copy of a * Resolution issued by the Government of India in the Department of Commerce, No. 102 S, dated the 24th October 1925, and its accompaniment, and to request that you will be so good as to communicate to Government, by the

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* Resolution and Life Saving Appliances Rules 1926 not printed. The same will be found in file No. R. 130 of 1925.

15th December 1925 at the latest, any alterations which your Chamber may consider necessary in the draft Notification accompanying the the Resloution.

No. T 1851 22nd December 1925.

From Chamber to the Government of Bombay General Department.

With referenoe to your letter No, 3082/14386/C, dated the 31st October 1925, I am directed by my Committee to inform you that they generally approve of the draft rules issued by the Government of India in the Department of Commerce No. 102S, dated 24th October 1925.

My Committee trust that the adoption of these rules will not lead to a rise in the deck passenger fare which is already high for voyages between the coastal ports of India and Burma.

(B) CURRENCY EXCHANGE. AND FINANCE.

Currency and Exchange

APPENDIX 24

ZANZIBAR CURRENCY.

No. 239/24 Zanzibar November 6th, 1924.

From the Indian National Association to Chamber.

We have to place before you the two following questions and shall be obliged if you will please let us have the opinion of our Indian

Political Economy and Finance Experts on them. The Europeans this side are having the opinion of financial experts in England on them and we would therefore like to have the views of our Indian Experts on them.

1. The currency here at present is of British Indian rupees. The local Chamber of Commerce has proposed that it should be changed to that of Shillings and cents, *i.e.* to say the same as that which is current at present in Kenya, Uganda and Tanganyka, We enclose herewith a copy of their resolution in the matter, from which you will see their arguments. We also send you herewith a copy of the latest Customs Report for the Zanzibar Protectorate containing the tables of the trade done by Zanzibar with the whole world. It is the view of our local Indian merchants and Shroffs that the Rupee currency is the best suited to Zanzibar.

2. The other question is about a principle of Political Economy. The exports from Zanzibar have always exceeded her imports. From the Customs Report sent herwith, you will see that this is taken, by our Customs Officers, to be an index of prosperity and favourable balance of trade of Zanzibar. We are inclined to think that the conclusion to be drawn is quite the opposite.

We shall be glad if you will be kind enough to let us have the opinions of our experts on these two points as soon as possible.

Copy of Resolution of the Sub-Committee of the Chamber of Commerce in the Matter of the Alteration in the Present Currency of the Zanzibar Protectorate.

"That this Chamber lays before the Government its considered opinion that the adoption of East African Currency guaranteed on a similar basis to that pertaining on the Mainland, ensuring a steady parity of Exchange between such currency and Sterling, would be to the advantage of the protectorate, and advances the following reasons in support of such opinion".

1. Only 20 to 25 percent of the local trade is conducted with Rupee Countries, and this figure appears to be decreasing yearly the balance of trade being negotiated through Sterling :—

2. Of the 20 to 25 percent referred to above, a proportion is negotiated through Sterling as, for instance, some of the trade in Tea and Gunny Bags. It is recognised that the principal import in percentage is rice, a staple article for food, but we would point out that this article is subject to market fluctuations of 25% and Exchange would weigh but little in the more important fluctuations occasioned by suply and demand.

3. A part of this trade with India is conducted on a barter basis; Cloves being exported against imports of food stuffs and piecegoods.

4. Indian trade is largely conducted on a Cash Basis goods being sold on arrival and proceeds remitted, Whilst particularly the entire Sterling trade is conducted by forward contracts and the deletion of the risk of Exchange fluctuations would tend to create safety in business and consequently increase prosperity on a sound basis, eliminating the gambling element in one respect which element has been so detrimental to the interest of the protectorate in the past.

5. The transhipment trade of Zanzibar is rapidly declining and although we do not pretend that this is entirely due to Exchange difficulties, it is our opinion that the removal of such difficulties would tend to improve the prospects of such transhipment trade. It would also encourage the production of foodstuffs on the Mainland for the supply of the protectorate which would also stimulate transhipment trade.

6. It has been brought to the attention of the Chamber that some merchants whose interests are entirely bound up in trade with India, are rigorously opposed to the scheme, and we fully appreciate that a change in currency would cast a burden of a fluctuating Exchange on their shoulders, but are of the opinion that such burden would be more justly imposed on 20 percent of the trade than 80 percent as at present.

7. We appreciate that prejudice exists in all countries against changes in currency, but are of the opinon that such prejudice would be overcome in due course and should not stand in the way of development. There can be but little doubt that the rapid strides now being made on the Mainland are fostered by the freedom from Exchange fluctuations.

We request the Government to examine the arguments and submit the views of this Chamber to the Colonial Office for examination by financial experts.

No. T. 259 27th February 1925.

From Chamber to the Indian National Association Zanzibar.

I have duly to hand your letter of the 6th November 1924 on the proposals for changing Zanzibar currency from rupees to shillings and cents, the same as in Kenya, etc. You asked us to get the opinion of Indian experts on the points raised by the proposals. I accordingly send to you herewith a Note prepared by one of our members who has made a close study of currency and exchange questions and trust it will be of service to you.

Copy of Note.

The resolution of the Chamber of Commerce of Zazibar as enclosed in the letter of the India National Association of Zanzibar is lacking in one essential information viz: the rate at which the Chamber of Commerce was proposing to convert the rupee into shilling and cent. currency of Kenya. The change to shillings was made in Kenya in 1920, at the same time as the attempt of the Indian Government to put the rupee on a two shillings basis. Here in India they failed to achieve their purpose, because of the agitation carried on by the Indian Merchants' Chamber but as Kenya was a mere Crown Colony the change to shillings was effective inspite

of strong protest from even the European planting intrests who actually sent a deputation to the Colonial Secretary opposing the change of currency. Major Grogan was one of the prominent members and he has very forcibly expressed his objections to the change in a letter which then appeared in the London Times of the 13th February, 1920 on the subject and I commend this letter to the careful attention of the National Association of Zanzibar, because it will greatly strengthen their hands if they can show that the European interests in Kenya had themselves very strongly opposed the change of currency and said that it was detrimental to the progress and welfare of all producers and settlers in the Colony This letter of Major Grogan will be found printed on pages 49–54 of "A Chapter in Indian Currency History", a copy of which is sent herewith for the information of the Zanzibar Association. They may be recommended to look up the files of the English Press in Kenya between September 1919 and September 1920 and they will find a great many other facts and arguments to support their case.

If the present proposals are to put the rupee upto two shillings as was done in Kenya in 1920, there can be no question whatsoever that it would be most serious harm to the p ople of Zanzibar whose principal income is from cloves and other agricultural produce. For every £100 worth of Cloves sold to Europe the producers would realise only Rs. 1,000 instead hf Rs. 1,300 or Rs. 1,4000 as they must be doing now. While their income would be thus reduced, the taxes that they pay and the debt of the interests on debts for which they may be responsible would be heavily increased because the change of currency would mean that every Rs. 10 of tax or interest or principal debt which would have been satisfied by selling produce worth 15 shillings would not be so satisfied if the currency was changed except by selling produce worth 20 shillings. While therefore the producers would be very hard-hit, the salarind classes would be benefitted at the expense of the producers. The European population whether officials or merchants or employees of merchant-firms would also be greatly benefitted because they could then send £10 to their homes for every Rs. 100 instead of £6 to £7. It is this

personal benefit to every individual European that makes him blind whether in India or in Zanzibar to the great injustice that the change of currency inflicts on the producers but when the producer is himself a European as was the case of the Kenya settlers they feel this injustice as much as the Indian or other producers as Major Grogan's letter shows.

Therefore any proposal for putting the rupee on a two shillings basis ought to be strenuously opposed. If, however, the ratio is not to be 2 sh. but some ratio in the neighbourhood of the present rates of exchange, the Zanzibar Association should fight against any ratio higher than 16d. gold. Here in India commercial bodies have been fighting for a reversion to the pre-war ratio of 16d. gold and the best policy for the Zanzibar Association will be to oppose any change until the Government of India in consultation with His Majesty's Government comes to a decision as to the proper future ratio of the rupee. They may usefully quote the decision of the Cabinet as given in the Viceroy's speech at the opening of the Assembly on 21st January 1925.

"The Government of India have been in communication with the Secretary of State on the subject of the rupee exchange, and the intention of Government is to appoint an authoritative Committee to consider the question as soon as world economic factors appear sufficiently stable to justify the formulation of a new policy. In their judgment there is much to be gained by postponing an enquiry till those factors on which any decision must rest are less fluid and obscure. But they anticipate that, if the movement towards more stable conditions which has lately manifested itself continues, the appointment of such a Committee should be possible not later than 12 months hence."

If they are already considering the question of the Indian rupee, the Zanzibar Association can very well urge that no action should be taken in Zanzibar until the question was decided in India. The Zanzibar Association have sent us a copy of their latest Customs Report and although it shows that Zanzibar has a very large trade with India,

it has a larger trade with other countries of the world, the percentage of India being only 12.42 in the year 1923. Therefore this argument cannot be pressed very effectively. All merchants will be naturally anxious to simplify their own dealings and if Indian merchants wish for the Indian currency the European merchants would be equally justified in urging for the adoption of the English currency. The only thing that one must consider in a solution of questions of this kind is, not the convenience of this or that section of merchants, but the greatest good of the greatest number which would mean the good of all the producers of Zanzibar who must necessarily be far larger in number than the number of officials or traders and the Zanzibar Association would be well advised to stick to this line of argument. They will find in the book sent herewith many arguments that will help them to support their contention.

The second point made in their letter is about the balance of trade. This is given on page 4 of the Customs report as 50 lakhs in favour of Zanzibar for 1925, but in the detailed statement of imports and exports the total imports of bullion and specie is showed on page 42 to be only 5.44 lakhs. Therefore 45,56 lakhs of balance in favour of Zanzibar remains unaccounted for and until the Zanzibar Association goes closely into the figures of excess of exports as given on page 4 of the Customs report and shows us how the two sides of the account have been balanced, it will be premature to say whether the balance showed proves Zanzibar a debtor country or a creditor country. Merely the figures of balance do not prove anything as will be readily seen, if we remember, that England which has an unfavourable balance of trade year by year is still a creditor country and not a debtor country.

APPENDIX 25.

HUNDRED RUPEE COUNTERFEIT CURRENEY NOTES.

Dated 16th March 1925.

From the Bombay Shroff Association to Chamber.

Owing to a great number of hundred-rupee counter-feit notes of Lahore and Cawnpore Office being circulated along with the genuine notes the general mercantile community is put to very great hardships and daily mutual dealings are much hampered.

The merchants of various lines do not accept at all Lahore and Cawnpore notes for payments. I have therefore to request you to move in the matter and try to have the fullest explanations with regard to those notes from the Government and the Curreney department.

Thanking in anticipation—

Dated 17th March 1925.

From the Grain Merchants' Association to Chamber.

I am directed to enclose herewith a copy of a letter addressed to to the Secretary to Government of India Department of Commerce and Industries in connection with 100 Rupees Notes of Lahore and Cawnpore Circles and to request the Chamber to take up this question and do the needful.

17th March 1925.

Copy of letter of the Grain Merchants' Association to Government of India Department of Commerce.

I have been directed by my Managing Committee to address you this letter in connection with 100 Rupees Notes of Lahore and Cawnpore Circles.

It has been transpired for some weeks that spurious 100 Rupees Notes of Lahore and Cawnpore Circles are in circulation. The imitation of these spurious Notes is so perfect that one can not easily find that it is a spurious Note, and several merchants received such Notes in payment and they only learnt that these Notes were spurious when they were told at the time of presenting them in the Banks that such Notes were spurious and would be sent to the Curreney Banks. As a result of these many merchants have suffered. Merchants' servants are ordinary lay-men and are unable to find out the difference or distinction in water marks colours etc as the Bank clerks and merchants are reluctant and even refuse to accept in payment any 100 Rupees Notes of Lahore and Cawnpore circles fearing that if any spurious Note came in their hands they would be losers. As a result of this a good deal of difficulty has arisen in making payments of Hundies etc as 100 Rupees Notes of Lahore and Cawnpore Circles are not accepted in payment.

Again when a payment is made in 100 Rupees of Lahore and Cawnpore Circles to merchants by bank their request to stamp such 100 Notes with the stamp of the bank to convince them of the genuineness of such Notes is refused.

The above facts will give you a clear idea of the difficulties and troubles of mercantile community in dealing with 100 Rupees Notes of these Circles. Merchants or their men are not so expert like bank clerks as to make out difference between genuine and spurious Notes. My Committee therefore request you to find out some solution of this problem and relieve the merchants from their difficulties of dealing in 100 Rupees Notes of Lahore and Cawnpore Circles. It may also be suggested that all the banks should be instructed to stamp the genuine 100 Rupees Notes of Lahore and Cawnpore Circles passing through their hands as that will save a lot of trouble to merchants and public in general.

An early reply is requested.

Dated 23rd April 1925.

Report of the Secretary on the Hundred Rupee Counterfeit Notes.

Under a resolution of the Committee, I saw Mr. A. V. V. Aiyar, Controller of the Currency. As I happened to see him in the office of the President; the latter also was present at the time. The complaints of the Grain Merchants' Association and the Bombay Shroff Association were brought to his notice. It appears that both these Associations have written to him also. He said that the Government were doing all that they could in the matter and that from the daily reports he was getting from all the different Currency Circles, he could assure us that the number of counterfeit notes found were getting less and less. At one time it was as big as 40 per month in Bombay alone and it had come down to about 10 per month. He did not favour the suggestion made by the Grain Merchants' Association regarding the stamping by the banks as he was afraid that it would lead to more trouble, even supposing that the banks accepted such a suggestion. He promised all co-operation and help whenever his services were required by the Chamber.

APPENDIX 26.

CURRENEY AND EXCHANGE POLICY OF GOVERNMENT.

No. T. 637 15th May 1925.

Telegram from Chamber to the Private Secretary to His Excellency the Viceroy, Simla.

"Committee Indian Merchants' Chamber desire to draw attention of Government to the highly unsatisfactory and undesirable results of Government's currency and exchange policy as accentuated lately.

Despite favourable trade balances and large imports of gold, monetary stringency continues to an exasperating degree further handicapping commerce and industry at this critical juncture. First class Banks are borrowing in the neighbourhood of six per cent for the monsoon period usually recognised as the slackest period of the year instead of importing funds as they would if India had an automatic currency. As a result of wrong policy persisted in by Government principally with a view to secure exchange profits in the Budget gold imports contribute to monetary stringency instead of relieving same as such imports naturally should do. This stringency has now spread into remote corners of the country and has paralysed buying power in wholesale as well as retail trade and has brought about an unprecedented depression in trade and industry and threatens to seriously affect even Government revenues. Committee desire respectfully to repeat their previous warning to Government that the present policy of keeping on statute a dead and ineffective ratio is bearing its worst fruits making the position daily more serious. Letter follows.

Phiroze Sethna, President, Inchambu."

No. T 673. 21st May 1925.

From Chamber to the Government of India Finance Department.

With reference to the telegram sent by the President of this Chamber to the Private Secretary to His Excellency the Viceroy on the 15th instant, a copy of which was forwarded to you for information, I am directed by my Committee to address Government further as follows :—

2. In the first place my Committee wish to refer to the decision of the Government of the United Kingdom immediately to revert to the gold standard, to which they reverted on the 28th April last instead of at the end of the year when the Act imposing an embargo on gold would have expired. The fact that a certain section of the public of the United Kingdom is apprehensive with regard to

monetary stringency and higher bank rate and the consequent effect on trade, and that the ideas of those who would pay larger attention to prices than to the restoration of a standard in keeping with the tradition of the country, have been thrown overboard indicates that in the opinion of the British Cabinet the restoration of the gold standard has appeared a step of great urgency in National interests in spite of all the attendant risks and dangers. Its restoration earlier than was expected indicates the increasing realisation, in England in the most authoritative financial circles that (as Mr. Goodenough, the Chairman of Barclays Bank recently put it) a free gold market for London is the surest guarantee for stability in world prices and for confidence both of which are essential to good trade. In the United Kingdom itself it is now acknowledged that the ability of England to restore the gold standared and to maintain it after restoration depends very largely on the action which India is made to take or to refrain from taking. My Committee have reluctantly come to the conclusion that the nervousness and hesitation of the Government of India's response to public opinion on this subject is due largely to considerations affecting the position of the United Kingdom, but in the meanwhile on account of the action now taken by England the world currency and exchange position has considerably altered, and in view of the heavy depression of trade and industry in this country, my Committee would urge more immediate steps to put our currency and exchange position also on a sound footing.

3. My Committee would respectfully point out that the views, which this Chamber gave before the Babington-Smith Committee both in their representation and through their witness, have on the whole been justified, and in going counter to these views, which appeared to have met with the approval of the minority report, Government have indulged in a series of blunders, which have cost the taxpayers crores of rupees. From this untenable position the Government, my Committee believe, would have retraced their steps but for mistaken notions of prestige, which, unfortunately, seem to weigh with the Government in decisions of urgent financial questions. The first step suggested in the improvement was the repeal of the legislation of

1920, which proved disastrous. Such a repeal would restore the pre-war basis from where the justification of any new departure would have to be definitely proved. This was urged by this Chamber from time to time without avail and ultimately the Chamber instructed their representative in the Assembly to put in two Bills, which would secure this object. Owing to the narrow and restricted scope given to members for introducing measures in the Assembly these Bills did not get a high place in the ballot, A request through the Finance Member to allow a Government day for the discussion of these bills met with a definite refusal. In other words, it must appear that the Finance Member in a partisan spirit prevented even the consideration, on the floor of the House, of measures, which he did not wish to see adopted. But the resolution of Mr. Raju for the appointment of a Committee with an Indian majority and an Indian Chairman to investigate into the question of currency and exchange was passed by an overwhelming majority and left no option to Government. The Finance Member on receipt of notice of this resolution brought in the assistance of a pronouncement from is Excellency the Viceroy that a Committee would be appointed not later than 12 months from then to investigate. This bald announcement has not assuaged public feeling of concern with regard to exchange matters and has on the contrary strengthened the suspicion that delay in the necessary reform towards sound currency is actuated not so much by domestic Indian considerations, as by the convenience of the London money market as this period of 12 months would just give time for the Act imposing an embargo on gold export from England to expire. My Committee have been reluctantly driven to this conclusion, but I am directed to express this frankly in order to enable the Government's standpoint to be explained and the misunderstanding, if it is a misunderstanding, to be cleared up.

4. I am to point out that it must be now generally held that the continued existence of the admittedly fictitious and obsolete ratio of two shillings is a proclamation to the rest of the world that India does not yet know where she is in the matter of her currency and that with a continued favourable balance for the last three years and with enormous quanties of gold coming in, India consents to penalise

her producers, her farmers and agriculturists and her factories to undergo a period of monetary stringency, to submit tamely to an era of trade and business depression of an unprecedented character except perhaps in a similar period of exchange manipulation in 1895-1900 and to act in a manner which cannot betoken either a clear understanding of the issues or national self-respect. The representative of this Chamber has given an ample reply to the Finance Member's views in regard to exchange which found such a prominent place in his Budget speech. To this reply Sir Basil Blackett had no refutation to offer. As stated in the previous paragraph, my Committee fear that high exchange is being continued in London financial interests notwithstanding its numerous evil consequences from the effects of which no class in the country is free and would respectfully point out that as a constitutional issue the freedom to manage financial and fiscal affairs independently of outside interference does not appear to be real from this particular to be real from the currency policy of the Government in the past.

5. While the announcement as to the Committee is bald and gives little indication with regard to the terms of reference or the personnel, the subsequent guesses hazarded in some papers both here and in England give additional grounds for anxiety. My Committee would like again to press upon the notice of Government the resolution of Mr. Raju adopted by the Indian Legislative Assembly suggesting the appointment of a Committee with an Indian Chairman and an Indian majority. They desire to see on this Committee representative Indians, who will command the confidence of non-official India on economic matters and to whom an opportunity of serving their country in this way would be welcome. If the past two Commissions namely, Chamberlain Commission and the Babington-Smith Committee, are to be taken as models, then my Committee with all humility would urge on Government not to appoint a Committee at all. The last two commissions have been harbingers of disaster and have cost this country dearer than any other single administrative measure contrived in the last one hundred and fifty years of British rules.

6. My Committee, therefore, urge on Government immediate action without waiting for the proposed Committee. This action should, they think, be to restore the relation of the Rupee to gold as it stood in the pre-war period and to thus establish an automatic system of currency based entirely on gold followed as early as possible by a Gold Mint and Gold Currency in circulation.

7. There is no solvent country that my Committee are aware of, which has wasted as much time as the Government of India in reverting to the pre-war ratio and the maleffects of keeping an ineffective ratio on the Statute have been indicated fully in my Committee's telegram to the Private Secretary to His Excellency the Viceroy of the 15th instant. My Committee do not think it necessary to dwell at greater length on these disastrous results of the Government's policy as they believe that the Government of India are in possession of all details. My Committee agree that there are numerous other matters connected with the exchange and currency policy of the Government of India of which a close examination by a competent Committee would be of real advantage.

8. In conclusion, I am directed to say that there is no other reform which appears to the Chamber more urgent in public interest than the reform which will restore sound currency. My Committee trust that no further argument is wanted for pressing on Government this issue, which is either likely to receive less attention than it should in the consideration of mere political problems, or is likely to be miscarried by undue regard for interests in London and by the Government's inability to reach the heart of the interests which really matter and of which they are trustees.

APPENDIX 27.

EXCHANGE AND CURRENCY.

(1) Royal Currency Commission.

(2) Adjournment motion in the Assembly regarding the Currency Commission.

No. T-1105, 22nd August 1925.

Telegram from Chamber to the Private Secretary to His Excellency the Viceroy.

"The Committee of the Indian Merchants' Chamber beg emphatically to protest against the personnel of the Currency Commission as being opposed to the earnest representations of this Chamber and the expressed wishes of the country as embodied in the Resolution of the Assembly on this subject which asked for an Indian Chairman and an Indian majority. The Committee are strongly of opinion that the Commission in no sense represents Indian interests in a manner and to an extent acceptable to the public and feel that the inquiry will not command public confidence."

No. T-1155, 28th August 1925.

Telegram from Chamber to the Government of India Finance Department.

"Committee Indian Merchants' Chamber fully endorse adjournment motion of Assembly regarding Currency Commission and urge Government to add three independent Indian Members acceptable to Indian public opinion who, Committee feel confident, can be secured. Unless Commission's constitution is so altered and improved Committee feel that it will fail to command public confidence or co-operation. Inchambu."

APPENDIX 28.

ROYAL COMMISSION ON INDIAN CURRENCY.

No. 1, 22nd September 1925.

From Joint Secretary to the Royal Commission on Indian Currency to Chamber.

I am directed to state that the Royal Commission on Indian Currency, the appointment of which was announced by H. E. the Viceroy on the 20th August 1925, will be glad to receive written statements of their views from any persons or bodies desirous of giving evidence before the Commission. They should state at the same time whether they wish to supplement the written statements by oral evidence, and in the case of bodies, name the representative or representatives who will tender oral evidence on their behalf.

2. I am to request that the above fact may be made known generally and that a written statement of your Chamber's views may be forwarded accordingly. It will be understood that it will be for the Commission to decide whether or not they will hear the oral evidence of witness offering to tender such evidence, and no statement can be made at present as to the date on which witnesses whose oral evidence the Commission decide to take will be called.

3. A copy of the terms of reference is enclosed. All communications may be addressed for the present to the Joint Secretaries to the Royal Commission on Indian Currency, Government of India Secretariate Simla.

Copy of Terms of reference.

To examine and report on the Indian exchange and currency system and practice; to consider whether any modifications are desirable in the interests of India, and to make recommendations.

No. 47 21st October 1925.

From Jt. Secretary to the Royal Commission on Indian Currency to Chamber.

The following memorendum is issued by the Joint Secretaries to the Currency Commission by direction of the Chairman. It is not to be regarded as exhaustive nor is it desired that each witness should necessarily attempt to deal with all the questions raised.

The Royal Commission on Indian Currency has not yet met and no authoritative questionnaire has been compiled. In order however, to assist in the preparation of the written evidence and to avoid delay it may be useful to give a preliminary indication of the chief questions which, it would seem, must be considered by the Commission under their terms of reference. These are as follows :—

(1) Is the time ripe for a solution of problems of Indian Currency and exchange by means of stabilisation of the rupee or otherwise ?

What is the comparative importance of stability in internal price and in foreign exchange?

What are the effects of a rising and a falling rupee and of a stability of high or low rupee on trade and industry including agriculture and on national finance ?

(2) In relation to what standard and at what rate should the rupee be stabilised, if at all?

When should any decision as to stabilisation take effect ?

(3) If the rate selected differs materially from the present rate how should transition be achieved ?

(4) What measures be adopted to maintain the rupee at the rate selected ?

Should the Gold Exchange Standard system in force before the war be continued and with what modifications, if any ?

What should be the composition, size, location and employment of a Gold Standard Reserve ?

(5) Who should be charged with the control of the note issue and on what principle should control or management be transferred to the Imperial Bank of India, and if so, what should be the general terms of the transfer ?

What provisions should be made as to the backing of the note issue ?

What should be the facilities for the encashment of notes ?

What should be the policy as to the issue of notes of small values ?

(6) What should be the policy as to the minting of gold in India and the use of gold as currency ?

Should the obligation be undertaken to give gold for rupees ?

(7) By what method should the remittance operations of the Government of India be conducted ?

Should they be managed by the Imperial Bank ?

(8) Are any and if so what measures desirable to secure greater elasticity in meeting seasonal demands for currency ?

Should any and if so what conditions be prescribed with regard to the issue of currency against hundis ?

(9) Should any change be made in existing methods for the purchase of silver ?

No. T-1709, dated 1st December 1925.

From Chamber to the Joint Secretary, the Royal Commission on Indian Currency, Delhi.

I am directed by the Committee of this Chamber to acknowledge the receipt of your two letters Nos. 1 and 47 dated 22nd September and 21st October 1925 respectively and to send hereby their views in reply to the same.

Before my Committee proceed to reply to the questionnaire they would like to convey to the Commission the feelings of the public in general and the commercial community in particular regarding the unsatisfactory nature of their personnel. The Commission may not be unaware of the resolution moved by Mr. Raju in the Legislative Assembly and adopted by that body, as a result of which, it is presumed this Royal Currency Commission has come to be appointed. It was as follows:—

"This Assembly recommends to the Governor-General in Council that a Committee with a majority of Indian Non-Officials in it and with Indian Chairman be immediately appointed to examine the whole question of Exchange and Currency in the light of the experience gained since the date of the publication of the Babington-Smith Committee Report and to make recommendations as to the best policy to be pursued to secure a system of Currency and Exchange best suited to the interests of India."

It is interesting to note that the Honourable Sir Basil Blackett, Finance Member, Government of India, emphasised in one of his speeches before the Legislative Assembly, before Mr. Raju's resolution was moved, that Government would appoint an authoritative committee fully representative of Indian opinion to consider an improved method of the Gold Exchange Standard. An amendment was moved to Mr. Raju's resolution and Sir Basil Blackett speaking on this amendment observed thus:—

> "The Government of India are prepared to accept the amendment as it stands, that is in place of the words "a majority of Indian non-officials and an Indian Chairman" the words "an effective and adequate representation of Indian interests should be substituted."

Speaking before the Committee of the Indian Merchants' Chamber on 3rd July 1925 Sir Basil Blackett again emphasised what he had previously said in the Assembly :—

> "I can assure this Chamber that there is every intention on the part of the Government to do its best to secure adequate and satisfactory Indian representation when it is appointed."

It is deeply to be regretted that not withstanding these repeated promises, the personnel of the Commission did not prove to be either adequate or representative of Indian interests nor satisfactory to the Indian public opinion. Protests against the personnel were made both by the Legislative Assembly and this Chamber, as also throughout the country. Unfortunately, the Government of India, as is usual with them on such occasions, did not respond to the public feeling by appointing three representative Indians commanding public confidence and the result is that this commission will start on their work with a good deal of public prejudice against them, and their findings will be regarded, however genuine and *bona fide* they may be, with suspicion and distrust. My Committee are therefore constrained to observe that Government have, by their lack of response to public outcry, done an injustice to this Commission which should not have been placed in such a situation by them. They have thought it their duty to place these facts before the Commission with a view of conveying to them the disappointment felt by the public in general and the commercial community in particular at the non-fulfilment of promises made by the Honourable the Member for Finance.

My Committee further desire to point out that out of the 10 members of the Commission, only one represents the Bombay Presidency, viz, Sir Purshottamdas Thakurdas, although it is acknowledged

that Bombay is the real centre for Finance, while Bengal has a preponderating majority of European and Indian members.

They also may be further allowed to observe, that whilst out of the ten members of the Commission, as many as five are connected with the Imperial Bank of India, and other member is a representative of the Exchange Banks, Government have absolutely ignored the claims of other Indian Banks and have not appointed any one connected with these institutions which my Committee regard as a grave error of judgment.

With these remarks, my Committee will now turn to the terms of reference to the Royal Commission which are :—

(1) to examine and report on the Indian Exchange and Currency system and practice ;

(2) to consider whether any modifications are desirable in the interests of India ; and

(3) to make recommendations.

As for the first point, the present Indian Exchange and Currency system is what is commonly described as the Gold Exchange Standard system and my Committee have repeatedly expressed their very strong views against the same and asked for the establishment of a real gold standard system with a gold currency in circulation. Therefore the kind of modification of the present system, that my Committee consider not only desirable but also necessary, is the establishment of an effective Gold Standard which has been the goal aimed at, from the very beginning when 30 years ago we decided to give up the silver standard and closed the Mints to the free coinage of silver. This was put very clearly by the Committee of 1898 commonly known as the Fowler Committee, which definitely said that it was of opinion that the habit of hoarding did not present such practical difficulties as to justify a permanent refusal to allow India to possess a Gold Currency. That Committee also laid down that while the British Sovereign should be made legal

tender in India, they thought that the Indian Mints should at the same time be thrown open to the unrestricted coinage of Gold, and that they explained that they recommended these measures for adoption as they were looking forward to the effective establishment of a Gold Standard with a Gold Currency, based upon the principles of the free inflow and outflow of Gold. My Committee are strongly of opinion that if the above recommendations of the Fowler Committee had been carried out, India would have been placed on an effective Gold Standard many years ago and the country would have been saved from the disastrous consequences of the manipulation which the Gold Exchange Standard system facilitated. Unfortunately the Government of India disregarded this most important recommendation of the Fowler Committee and continued to manipulate the Indian Currency system in the way it best suited them, and perhaps suited also the interests of London, as the world's central Gold market, because the steps taken were calculated to prevent gold coming to India to be tendered to the Currency authorities here and to encourage the issue of enormous quantities of the token rupees against the sterling handed over in London to the Secretary of State. There were continual protests from the Indian Commercial community against this procedure and a definite demand for an effective Gold Standard with a Gold Currency was put forward in 1912 in the Imperial Council of those days by the late Sir Vithaldas D. Thackersey, an ex-President of this Chamber. Partly as a consequence of this agitation, the Royal Commission commonly known as the Chamberlain Commission was appointed in 1913 to investigate the system and practice in vogue in those days. They coolly brushed aside the above fundamental recommendation of the Fowler Committee and reported that although the belief of that Committee was that a Gold Currency in active circulation was essential condition of the maintenance of the Gold Standard in India; they (the Chamberlain Commission) considered that the history of the previous fifteen years clearly showed that the Gold Standard had been firmly secured without this condition. This whitewashing decision of the Chamberlain Commission by which the wrong practice in vogue since 1900 was tried to be ustified is directly responsible for the mistakes in

the management of our Currency system during the last ten years, when it was clean forgotten that India had been firmly established on a Gold Standard and the ratio was moved up on the ground of rise in general price &c. which had nothing to do with gold. This would not have been possible, if we had an effective Gold Standard in this country and the rupees had been circulating only as tokens just as shillings do in England. Therefore the first point in the reform of the present practice that my Committee would insist on, is an effective Gold Standard with a Gold Currency.

This naturally leads to the question, what kind of Gold Currency my Committee have in mind. Our reply would be that as the sovereign has been the legal tender in India, ever since we changed over to the Gold Standard, it may be allowed to continue as our standard gold coin but only on one condition viz., that it should be minted in India just as Sovereigns are now being minted in the Dominions. This had been actually done in 1918 and so what my Committee now advocate is no new departure. However, if there are obstacles today in the way of sovereign being allowed to be coined in this country, then my Committee would ask that the Gold coin should be the Gold Mohur of 1918 which was of exactly the same weight, fineness, and dimensions as the sovereign. As soon as it is decided that the Gold Standard should be made effective in this country all further coining of rupees should be entirely discontinued, and all new coinage (except of course subsidiary coins) should be confined to gold and gold only. When gold is tendered by bankers for local currency, that gold should be coined in Mohurs and kept in the Paper Currency Reserve until it is required to go into circulation. The question would naturally arise as to what should be the relation of the gold coin to the rupees now in actual circulation. My Committee think that there can be only one answer viz., that the Gold Mohur should be equal to Rs. 15 as it actually was under the Act of 1918, because it was at this ratio that the rupees had circulated ever since 1898 and any change in such ratio would vitiate all long term contracts expressed in terms of rupees.

My Committee have not overlooked the difficulty that the very large amount of silver rupees now in circulation presents, and they advocate that the present rupees should be allowed to continue as full legal tender for the present, the only change to be made being that no further rupees should be allowed to be coined.

The next point that we should have to consider would be the encashment of the Note Issue. My Committee consider that the best solution of this difficulty will be to permit encashment for the present in either rupees or Mohurs or both at the option of the Government. This will protect the Reserves of Gold against any undue raid by the public and on the other hand permit of the gold being gradually passed into circulation as and when it was found to be expedient to do so.

My Committee would like to make it clear that the above suggestion of encashment in Rupees or Mohurs and of allowing rupees to continue to remain full legal tender is intended only for the first stage of going over to the effective Gold Standard and that as soon as our Reserves become sufficiently strong in the matter of gold holding, the question of some limit on the legal tender of the rupee would have to be considered, say within ten years after the new system comes into force.

The next point that my Committee would like to emphasise is that no currency shall be issued in future against anything but Gold. As regards sales of Council Bills they should be restricted to the actual needs of the Secretary of State for the year.

My Committee would like to mention in this connection that it will now be best to hand over to the Imperial Bank of India the charge of Currency and Note Issue under such restrictions and safeguards as may be deemed necessary for correct functioning of the Gold Standard and the automatic expansion and contraction of the circulation, such restrictions and safeguards to be clearly laid down by law.

They would also like to emphasise that not only Currency and Note Issue operations, but the whole remittance operations of

the Government of India should now be entrusted to, and carried on through the Imperial Bank of India and that the Finance Department should divest itself of all this work which is essentially of a banking nature.

They would also urge that the balances of the Secretary of State in England should also hereafter be left with the Imperial Bank of India in London.

My Committee would also urge the greater development of banking facilities all over India, as they feel not only that the present facilities are still inadequate but also that such development will very much facilitate the smoother working of the Currency system in India.

My Committee will now briefly touch upon the various points raised by the Jt. Secretaries in their memorandum.

The first question is:—"Is the time ripe for a solution of our Currency problem?" and my Committee's reply would be that it has long been ripe as so many countries have now reverted to the Gold Standard, while India, the one country whose balance of trade gives it command of large amounts of gold, still lags behind. As for the comparative importance of stability in internal prices and in foreign exchanges my Committee are of opinion that while both are desirable Government manipulation to bring about any such stability even if that were possible is to be very much deprecated. The right solution is to go to the Gold Standard which will give India firstly exchange stability with every important Gold Standard country in the world, and next greater stability in the general level of prices of commodities by free flow of commodities from countries where they may be cheaper to the countries where they may be dearer. Therefore if the stability of prices and of exchange is a desirable thing to achieve, it furnishes a most important reason for going back to the Gold Standard without undue delay.

My Committee do not wish to discuss the effects of a rising or falling rupee nor of a high or low rupee on trade and industry because they cannot agree that the standard money of any country

should be manipulated on such considerations because any such manipulation vitiates all outstanding contracts and inflicts unmerited hardship and injustice on different sections of the community.

The second question is ;—" With relation to what standard and at what rate should the rupee be stabilised and when should the decision be taken ?" Our answer is that there is no question of stabilising the rupee. What my Committee desire is a Gold Standard.

The third question is ;—" If the rate selected differs materially from the present ruling rate how should transition be achieved?" This question implies stabilising of the rupee with foreign currencies which we have already said we do not want. As for the method of passing over the transition period my Committee would leave it to experts. My Committee consider that what will be required if India has a Gold Standard will be fixed relation of its token rupee to its Standard Gold Coin for internal purposes only. They however think that such internal ratio should be 1/15th of the gold sovereign or the Gold Mohur and will only add that the pre-war par did differ in the case of England very materially from the Gold value of the £ early in 1924 and there were fluctuations before the pre-war par was reached. There will be similar fluctuation here also, but they should not deter us from selecting such internal ratio as may be dictated by sound scientific and economic consideration.

The fourth question is about the measure to be adopted, and whether the Gold Exchange Standard should be continued. The reply to this will be found in the principal part of this memorandum.

As for the composition, size, location and employment of our Paper Currency Reserve my Committee consider that

(1) it should be composed very largely of gold coin and bullion although some part may be in securities

(2) its location should be in India at least as regards the gold part of it,

As for what is now called the Gold Standard Reserve, my Committee suggest

(1) that a part of it may be transferred to the Paper Currency Reserve to give it a larger backing of Gold securities and thus facilitate the establishment of an effective gold standard.

(2) that the remainder may be held in reserve for the support of the gold standard system that is herewith proposed to be introduced.

The fifth question is about the control and management of the Note Issue. My Committee would like to see this handed over to the Imperial Bank. The metallic backing should be as largely as possible in gold. The encashment facilities should be as liberal and extensive as circumstances permit.

The sixth question is as to minting and use of gold as Currency; the views of my Committee have already been indicated in the earlier part of this statement.

The seventh question refers to the remittance operations of the Government. My Committee feel that all such operations should now be carried on through the Imperial Bank of India.

The eighth question refers to seasonal demands for currency. My Committee would suggest that the total of such currency to be issued should be ten per cent of the then existing note issue and that such issue should be made when the bank rate is as follows :

10 crores when the bank rate is 6 per cent and the rest when the bank rate is 7 per cent.

The ninth and the last question is about purchases of silver. My Committee consider that all such purchases ought always to have been made by open tender in India in rupees and for delivery in India but they think the issue is now merely academical because if further coinage of rupees is discontinued, no silver will be required to be purchased by Government for many years, if at all.

APPENDIX 29.

AMENDMENT OF INDIAN PAPER CURRENCY ACT.

Government of India Legislative Department.

Notification.

Delhi, the 15th January 1925.

No. 58-1-25 A. C.—Under Rule 18 of the Indian Lagislative Rules the Governor General has been pleased to order the publication in the Gazette of India of the following Bill, together with the statement of Objects and Reasons relating thereto, and the Bill and Statement of Objects and Reasons are accordingly published for general information :—

Bill No. 1 of 1925.

A Bill further to amend the Indian Paper Currency Act, 1923.

Whereas it is expedient further to amend the Indian Paper Currency Act, 1923, for purpose herein-after appearing; It is hereby enacted as follows :—

X of 1923.

Short title.

1. This act may be called the Indian Paper Currency Amendment Act 1925

Amendment of section 19, Act X of 1923.

2. In sub-section (4) of section 19 of the Indian Paper Currency Act, 1923, for the words "eight hundred and fifty" the words "one thousand" shall be substituted.

Statement of Objects and Reasons.

The Indian Paper Currency Act, 1923 (X of 1923), lays down in section 19 certain temporary provisions which are to remain in force until the Paper Currency Reserve has been brought into conformity with the permanent position envisaged in section 18,

The provisions of section 19 are at present operative, and sub-section (4) of that section provides that the total amount of securities which may be held in the Reserve (exclusive of the emergency currency which may be made available under section 20 against the security of Bills of Exchange) shall be limited to 85 crores of rupees. Additional currency is required to meet the growing requirements of trade, which is now recovering from the post war depression and in particular to meet the seasonal requirements of the busy period of the year. The Government of India have, therefore, both in the past and the present busy season, utilized a portion of their remittances to England to increase the amount of currency available for trade. The effect of the purchases of sterling by Government in India and of the sales of Council Bills in England is to reduce treasury balances in India and to increase those with the Secretary of State, to the extent that these latter are not required to meet disbursements in the near future, they are available for investment in the sterling portion of the Paper Currency Reserve against which notes can be issued in India replenishing the Indian treasury balances and at the same time adding to the amount of currency in circulation. The total amount of securities in the Reserve is still short of the figure of 85 crores by approximately 7½ crores, but the Government of India, in the interest of trade, desire to raise the permissible limit of investment so that additional currency can be provided, if necessary, in order to prevent excessive monetary stringency. The proposal in the present Bill is therefore to increase the amount of permissible investment by 15 crores of rupees.

(Sd.) BASIL P. BLACKETT.

Delhi;

13th January 1925.

(Sd.) L. Graham,

Secretary to the Government of India.

No. T. 80 21st January 1925.

Telegram from Chamber to the Government of India Finance Department.

"Committee Indian Merchants' Chamber beg to record their emphatic protest against method adopted by Government for relieving currency scarcity through proposed amendment Paper Currency Act. Method undesirable as leading to further issues of currency against paper securities instead of against full backing of gold which is the only sound method. Committee emphasise necessity for additional currency during period of stringency and would suggest Government taking larger powers for emergency issue by loans to Imperial Bank against trade bills."

APPENDIX 30.

INDIAN BUDGET, 1925-26.

No. T. 279 1st March 1925.

Telegram from Chamber to Sir Purshotamdas Thakurdas, Kt., C.I.E. M.B.E., M.L.A., Delhi

"Kindly convey following to Government of India and members Assembly. Committee Indian Merchants' Chamber take strong exception to absolute ignoring of claim for remission of Excise Duty and regard it as insult to nation in view resolution passed by Assembly last September and in view frequent promises made in past for consideration of excise claim earliest favourable opportunity. Proposed utilisation of surplus highly objectionable in view of utter ignoring of claim of Bombay contribution for reduction particularly as Bengal again excused notwithstanding surplus shown in Bengal Budget after making provision for payment of their contribution. Committee repeat their emphatic protest against very basis of Meston Settlement

which from beginning has penalised Bombay taking its most productive sources of revenue for use of Central Government. Proposed use of surplus denying any relief to Bombay adds insult to injury. Committee consider loans and advances to Persian Government as entirely in Imperial interests and should therefore be charged to British Revenues independently of any negotiations with Persia. They strongly protest against India being saddled with these advances. Committee also strongly protest against above advances as well as discount charge on 1923 loans being wiped off at one stroke from last year's revenues when money urgently required in many nation-building directions. Committee consider remarks about Exchange entirely fallacious because Indian producer not in a position to force foreign buyer to pay such increase in sterling prices as may be necessitated by higher exchange. On the contrary producer is compelled to accept such competitive prices as foreign buyer can give and hence arises great injustice to cultivator which compells him to convert his sterling proceeds into fewer rupees. Adoption of 18 pence rate leads Committee to apprehend that further manipulation of Exchange will be continued in order to maintain 18 pence as minimum, Inchambu".

I am asked to direct your attention to para 24, Financial Statement, and to suggest to you to ask in your speech as to what is the rate of interest on such balances, what is the amount invested with different firms, etc.

APPENDIX 31.

THE BOMBAY BUDGET.

No. T 258 26th February 1925.

From Chamber to Finance Department,
Government of Bombay.

I am directed by the Committee of the Chamber to send hereby their strong and emphatic protest against the Bill to amend the

Indian Stamp Act, 1889, in its application to the Presidency of Bombay. Duties on conveyance were only recently inceased by more than 50 per cent and the further proposal to increase the Duties by about 100 per cent is viewed, therefore, by the public with natural feelings of apprehension and resentment, especially in a period of intense and wide-spread depression. Government cannot be unaware of the fact that Land values have slumped down very considerably recently, and this inexcusable increase in Duties on Conveyance will be a futher impediment in the way of the sale of properties.

My Committee are of opinion that this additional taxation, which the Government propose, cannot find any justification in the statistics of estimates and accounts appearing in their Budget Statement. In this connection, my Committee cannot help referring to variations sometimes enormous, found both in the revenue and expenditure items. Thus with regard to 1923-24 actuals, there have been enormous variations both in revenue and expenditure. There is an increase of Rs. 54/- lacs in revenue from Land Revenue, Excise etc., counterbalances by a decrease of Rs. 20/- lacs in revenue from Taxes on Income, Irrigation, Interest etc., and a decrease in expenditure of 72/- lacs on items like Land Revenue, Excise, Forests etc., counterbalanced by an increase of Rs. 7/- lacs on education, miscellaneous departments etc, leading to a net improvement of Rs. 99/- lacs in the revenue section. The same tendency for variations is observed in the current year's Budget estimates as compared with the revised estimates for the same period. The revenues will be less than the original estimates for 1924-25 lacs. My Committee are compelled to observe that in view of these large variations to be found both in the revenue and expenditure items, the Financial Statement cannot be held to justify any increase in taxation. What is wanted is as has been often pointed out by the Representatives of the people in the Council, retrenchment in expenditure. Though there is always an academic acceptance by Government of the principle of retrenchment, the result of this is not seen in any curtailment of public expenditure. The total expenditure of the presidency which stood at Rs. 6,77,37,000 in 1910-11 steadily rose upwards to Rs. 14,21,64,300 in 1921-22. In the next

year there was a drop to Rs. 11,92,67,000 but it has agian risen up to Rs. 13,17,65,000 for 1924-25 (Revised and is estimated to be Rs. 14,62,34,000 in the Budget for 1923-26.) It will be obvious from this that there is an urgent necessity for alround retrenchment in the huge expenditure and unless such retrenchment is effected, it is feared that the burden of taxation will go on increasing every year. The need for retrenchment is all the greater in view of the statement made in the Budget memorandum itself that in view of its dependence on seasonal changes, it would be unsafe to rely upon it (Land Revenue) as a certain source of expanding Revenue "and that our Revenue from Excise can only be described as extremely precarious". This means that about 65% of the total revenue is almost unreliable and precarious in nature. My Committee have represented on more occasions than one that the taxable capacity of the people has reached its limit and that any further taxation will mean only a great impediment to Trade and Industries and a burden on the General Public which they are not in a position to bear.

The total incidence of taxation per head in this presidency amounts to Rs. 20.51 as estimated in Professor K. T. Shah's Book "Wealth and Taxable capacity of India" without including the development Budget which will add another Rs. 8 or Rs. 10 per head, and amounting to 27.18 per cent of the total wealth of the Presindecy. In terms of rupees taxation per head of population, Burma comes next with 14.65 rupees or 40.31 per cent But perhaps the scarcity of the population of that province and the ambiguity in the measurement of its wealth would make the figures unreliable. Of the Indian Provinces proper, Bengal comes second in order, with Rs. 8.16 of taxation per head or 20.16 per cent of the total wealth taken up in taxation, Central and Provincial combined. While Madras and Punjab run close together for a third place with 6.30 and 18.26 per cent and 13 per cent respectively. It is clear beyond the possibility of doubt that Bombay is the most highly taxed Province unconscionable large portion of whose wealth is devoted to utterly unproductive purposes entirely unconnected with the development of the Presidency.

My Committee take this occasion to protest not only against the piling up of taxtion in the manner in which it is being done in this Presidency, but also against the piling up of debts, for which the Presidency enjoys unenviable distinction of being the foremost among all the provinces of Bombay.

My Committee take leave to give hereby a Statement given in the Legislative Assembly in reply to an interpellation of Sir Purshottamdas Thakordas C. I. E., M. B. E., M. L. A., with regard to Debts of Provincial Governments.

STATENENT.

Province.	Debt on 31st March 1924.	Debt on 31st March 1914.
Madras	11.6	11.2
Bengal	2.1	3.6
Bombay	42.5	10.2
United Provinces ...	19.7	15.2
Punjab	25.1	20.4
Burma	...	2.6
Behar & Orissa ...	6.8	6.6
Central Province ...	5.2	2.1
Assam ...	.1	.1

From this it will be seen that Bombay, as it is, is foremost with its debts. As shown in the Budget Statement, we must be prepared to face an indebtedness of 48.21 crores for Bombay by the end of the financial year 1924 to 1926, as a legacy to the Post-Reform Period and without including 10.81 Crores of the pre-reform debts or a total 59.02 crores of debt as against the provincial revenue normally of 15 crores round figures and the total provincial wealth of 145.53 crores as estimated in the book referred to above. While Bengal has actually reduced its provincial debts between 1914 and 1924, Bombay knows no respite in the mad race for piling up indebtedness.

My Committee cannot also approve of the system of maintenance of huge Cash Balances adopted by the Government of Bombay. My Committee are aware of the practice of maintaining a minimum balance under the Terms of Financial Separation from the Central Government, but surely it is not necessary to maintain these huge cash balances, for which as far as the information of my Committee goes, no interest is earned,

The Government of Bengal is able to carry on its administration on a cash balance of a third of what the Finance Authorities in this presidency seem to consider to be indispensable.

Bengal is for more populated and therefore the task of administering it must be far more exacting than that of the Bombay Presidency can be rightly claimed to be. Nevertheless, while Bengal has an ordinary Revenue Budget of Rs. 10 crores with a few or no extra ordinary items, Bombay seems to want Rs. 15 or 16 crores on the ordinary side and another 10 or 12 crores on the Development side.

My Committee hope on these grounds that the Government will withdraw all proposals for further taxation and realise what funds they require by Retrenchment in total expenditure.

No. 1523-A 12th March 1925.

From the Government of Bombay, Finance Department to Chamber.

In acknowledging of your letter No. T-258, dated 26th February 1925, on the subject of the budget for 1925-26, I am directed to point out that the statement of the debt of this Presidency, quoted by you, which puts the debt on 31st March 1924 at 42 5 crores, is misleading as it includes the loans passed on to the Local Bodies of Bombay for development purposes. I am to refer you to the statement of debt charges given on page 39 of the Blue Book of this Government for 1925-26, which gives correct figures.

2. In regard to your comments on the balances maintained by this Government I am to say that unweighted comparison with provinces very differently situated is to be deprecated. You are doubtless aware that Mr. Lalji Naranji, the representative of your Chamber in the Legislative Council, has since expressed himself as entirely satisfied with the explanation given by this Department.

APPENDIX 32.

SUGGESTION OF THE CHAMBER'S REPRESENTATIVE IN THE LEGISLATIVE ASSEMBLY RE. STORES HELD BY VARIOUS GOVERNMENT DEPARTMENTS AND STATEMENT SHOWING ITEMS IN DISPUTE EITHER FOR CREDIT OR DEBIT OF THE GOVERNMENT OF INDIA.

No. T 1244 11th September 1925.

From Chamber to the Government of India, Finance Department.

I am directed by the Committee of this Chamber to draw the attention of the Government of India to a suggestion put forward by the representative of this Chamber in the Legislative Assembly in the course of the discussion on the Budget on the 3rd March 1925 as to the stores held in the various Departments of the Government of India. My Committee feel that it is very necessary to show the amount of stores held by each department both at the book value and at the approximate market value on the date of making up of the statement, so that it could be readily seen whether there was any depreciation in the value of the stores so held and the Government and the Assembly would then be in a position to say whether it was desirable to provide for any part of such depreciation in the Budget for the ensuing year. If this system was adopted Government would

not be faced with such big losses on the values of the stores held as the two or three crores reported last year in the Railway Department. My Committee feel that the adoption of the above suggestion is very necessary to a correct statement of the country's accounts and to sound budgetting and they will be glad to know whether Government have issued or propose to issue instructions to the various Departments for the submission of statements for stores held on the above lines.

My Committee wish to also draw your attention to another suggestion put forward by our representative in the same speech. This suggestion was that when the Budget was presented to the Assembly there should also be submitted to it a statement showing items in dispute either for credit or debit and also items in which a claim is made against the Government of India or is made by the Government of India and which are still awaiting settlement. My Committee feel that statements on these lines are absolutely necessary if the Assembly is to have a correct appreciation of the country's financial position and they trust that such statements will be attached to the Budget for the coming financial year.

APPENDIX 33.

ALLOCATION OF DISCOUNTS AND EXPENSES ON PORT TRUST CAPITAL LOANS.

No. 5770 7th October 1925.

From Bombay Port Trust to Chamber.

I am directed to inform you that a difference of opinion has arisen between the Government of India and the Bombay and Calcutta Port Trusts on the question of whether stamp duty and other incidental charges of raising loans should be debited against capital or revenue.

It has always been the custom of the Calcutta Port Trust and of this Administration to charge such expenses to Capital, *i. e*, capital is credited with the net proceeds of the loan and the full par value is liquidated from the Sinking Fund on expiry of the term of the loan. The Government of India now contend that the expenses of raising loans should be charged to Revenue, either in full during the year in which the loan is issued, or alternatively spread over a short term of years as a charge against Revenue. They ask that the balance of past transactions under this head should now be readjusted against Revenue. In the case of the Calcutta Port Trust the the amount involved is about Rs. 35 lakhs; in the case of this Administration the amount is slightly over Rs, 4 lakhs.

In view of the importance of the principle involved, the two Port Trusts addressed a joint representation to Government in April last, vide copy attached. They showed that their present practice is correct in principle, identical with that followed by similar public bodies in the United Kingdom, consistent with the declared policy of the Government of India in another connection, and supported by professional opinion of the highest standing. In reply to this representation the Government of India wrote as follows:—

> "While recognising that there is room for legitimate difference of opinion on the questions raised by the Port Trusts, the Government of India regret that they are unable to see sufficient reason for revising their previous decision which was arrived at after very careful and repeated consideration of all the facts and which they consider makes for sounder finance."

It will be observed that the arguments, facts and precedents advanced by the Trustees have not been discussed. Government apparently do not contend that the procedure followed by the Trustees is in itself unsound but merely that there are not sufficient reasons to justify this procedure in preference to charging the expenses to revenue.

The matter was further considered by the Trustees at their meeting held on 29th September last when it was decided to enlist the support of the two local Chambers and to request the Government of Bombay to arrange for the question to be included in the items for discussion at the next annual Conference of the Finance Members of the Central and Provincial Governments to be held at Delhi next month. The Calcutta Port Commissioners have addressed a similar request to the Bengal Government and the Bengal Chamber of Commerce have addressed the Government in support of the Commissioner's attitude vide attached copy of their letter to the Government of Bengal, Finance Department, No. 1673 1925 dated 26th June 1925.

I am to attach for information a copy of the Trustees' further representation to Government, No. 5769 dated 7th October 1925 and to request that if you are prepared to support the Trustees, you will be good enough to forward your views direct to the Government of Bombay for transmission to the Government of India at an early date, favouring me with a copy of your letter to place before the Trustees.

I am to invite reference to para. 3 of the letter from the Bengal Chamber of Commerce to the Government of Bengal and to point out that the procedure suggested by the Government of India would throw a serious additional burden on the revenues of the Port, especially in the event of heavy capital borrowings being necessary in future years. It is quite possible that this burden might necessitate an increase in charges on trade. It is clearly inequitable that the trade of today should be called upon to bear the whole burden of the expenses of raising loans, the benefit of which will only be felt in future years. It is obviously equitable that such expenses should be charged to capital and distributed evenly over the whole period of the currency of the loan. In view of the reasons stated I am to say the Trustees are confident that they may rely on the support of your Chamber.

Joint Representation by the Bombay Port Trust and Calcutta Port Commissioners regarding the allocation of Discounts and Expenses (including Stamp Duty) in connection with Capital Loans.

The Auditor-General and the Government of India have recently ruled that while there is no objection to charges of discount on Capital Loans being debited to Capital Account (when a full Sinking Fund is provided for the face value of the loan), stamp duty and other incidental charges of issue, including under-writing, should normally be met from the revenue of the year concerned, although on occasions when particularly heavy borrowing payments for Capital Works in being undertaken, it would not be unjustifiable to spread the payment over a number of years.

3. The following statement illustrates the point at issue on an assumed loan of, say, Rs 1 crore and sets out the procedure now followed and the altered procedure suggested by the Government of India :—

Assumed loan of Rs. 1 crore.	Procedure followed by the Bombay Port Trustees and the Calcutta Port Commissioners.	Procedure proposed by Government Auditor-General.
A. Loan raised at *par*: expenses, *i.e.*, under-writing, stamp duty advertising etc., assumed to be 4 per cent = Rs. 4,00,000.	Expenses would be charged to Capital liquidated on expiration of term of loan by the Sinking Fund.	Expenses should be charged to revenue of year if amount of expenses is considered small and if year's revenue could afford the charge; otherwise carried to suspense and spread over a term of years as a charge to revenue: (no definite term suggested, but 10 years apparently considered the maximum).
B. Loan raised at *premium* of, say, 4 per cent:— Premium 4 lakhs. Expenses 4 lakhs.	Premium would be taken as a set off against expenses.	Present procedure would be continued.
C. Loan raised at discount of say, 4 per cent. Discount Rs. 4 lakhs Expenses „ 4 lakhs Rs. 8 lakhs.	Discount and expenses would be charged to Capital and liquidated as under A.	Discount to be charged to Capital. Expenses to be charged to Revenue as under A, above.

3. It will be seen that the point at issue is the disposal of the expenses (brokerage, or under-writing, stamp duty, advertising etc.) incurred in raising a loan for Capital purposes. This expense may be estimated at anything from 1½ to 4 per cent. on the amount of the loan, according to whether the loan is raised in India or in London. At present the Port Trusts charge these

expenses to Capital, and the Government of India now propose that the expenses should be charged to Revenue.

4. The method in which Government propose that the expenses should be met from Revenue is as follows :—

(*i*) The expenses should be debited to the revenue of the year in which the charges are incurred, if they are not abnormally heavy.

(*ii*) If the expenses are abnormally heavy, they may be debited to a Suspense Account and charged to Revenue over a period of, say, 10 years.

5. The arguments against the Government of India's suggested altered procedure, and in support of the present procedure followed by the two Port Trusts are as follows :—

(*a*) There is no indication of what are to be considered "ordinary" expenses, debitable to the revenue of the particular year of issue of loan and what are "abnormally heavy" expenses to be spread over a period. What might be considered "ordinary" in one case would be considered "abnormally heavy" in other cases, and consequently there would be no uniformity in procedure, If the Government of India lay down principles to be followed continuously, these should be definite and free from doubt and not liable to alteration according to circumstances.

(*b*) There is no definite period laid down over which the expenses may be spread as a charge against Revenue. No reason is given why the period of 10 years is to be regarded as the maximum. It appears to be an arbitrary period, whereas the only logical period would appear to be the period of currency of the loan.

(*c*) The suggested procedure is contrary to the fundamental principles upon which Capital Works are financed by the Port Trusts. The charges incurred on account of

borrowings for Capital Works are distributed as evenly possible over the trade of which derives the benefit of such Capital expenditure The present method of charging the expenses to Capital and liquidating them by an equal annual contribution from Revenue ensures this, whereas the proposals of Government would mean that the Revenue of one year (or some few years) would be burdened with the full amount of expenses of raising loans for the benefit of the trade of future years.

(*d*) The expenses in question are incurred purely in order to provide finance for Capital Works and should be charged to Capital, just as the cost of labour or materials employed in the construction of such work is charged to the Capital cost.

(*e*) In the case of large projects, which take several years to complete, the interest on the loans raised for such works is correctly charged to Capital during the period of construction until the works become revenue earning. It is therefore inconsistent and incorrect to charge the expenses of raising such loans against current revenues.

(*f*) In the case of a body raising loans for Capital expenditure without having any current revenue-earning assets the "expenses" would have to be debited to Capital.

(*g*) If the Government of India insist on the present procedure being revised as proposed by the Auditor-General, the Trustees-Commissioners may be forced to adopt uneconomical methods of borrowing to avoid excessive burdens being thrown upon the revenue of the day. To secure sufficient premia in the issue of the loans to cover expenses, a higher rate of interest may have to be offered. Such a course, besides throwing a heavier burden on revenue during the full currency of the loan, would militate against the policy of keeping the rate of interest on public borrowings as low as possible.

Alternatively the charge of such expenses to current revenue might result in the rates on present trade having to be increased for the benefit of posterity.

(*h*) The Government of India themselves regard the cost of issuing shares as Capital Expenditure and categorically refuse to admit such expenditure as a debit to Revenue, *vide* Income Tax Manual, page, 93, Paragraph 47.

6. The case presented above appears to both the bodies concerned to be cogent and conclusive, but they do not desire to rest their arguments entirely on the views which they themselves hold in opposition to the Government of India. They have, therefore, been at some pains to obtain reliable information as to the practice followed by similar bodies in the United Kingdom, and they subjoin to this note copies of a letter and of extracts from certain Acts and Rules made under them which definitely show that in the case of the Port of London, the Metropolitan Water Board and the County Council there is ample precedent and legal authority for their view. Secondly, they have obtained the considered opinions of well known firms of Chartered Accountants in both cities, *viz.*, Messrs. A, F. Ferguson & Co., of Bombay and Messrs. Lovelock & Lewis of Calcutta – copies of both of which are also attached.

7. In conclusion the two bodies now respectfully submit.

(*i*) that they have shown their present practice to be correct in principle, logical and convenient in execution, and equitable in its effect on the interests they serve.

(*ii*) that it is consistent with the declared policy of the Government of India in another connection.

(*iii*) that it is substantially identical with that followed by similar bodies in the United Kingdom.

(*iv*) that it is supported by professional opinion of high standing

We have the honour to be,

Sir,

Your most obedient servants,

Copy of a letter dated 14th November 1923, from the Chief Accountant to the Port of London Authority, London, to J. Angus, Esq., London Agent, Calcutta Port Commissioners.

In reply to your letter of the 12th instant, the Authority charge to Capital, the Discount and Expenses in connection with the issues of Port Stock, and can issue Port Stock for the purpose of defraying such discount and expenses.

Under the Authority's Statutory powers Sinking Funds have to be subsequently commenced to redeem the Port Stock at its face value and the Prescribed Period for Repayment in respect of such Discount and Expenses must correspond with the period of the loan for which they were incurred.

METROPOLITAN WATER BOARD.

Copy of Extract from London County Statutory Rules and Order No. 673 of 1903, Articles 3.

The Water Board in the exercise of a statutory borrowing power may create and issue stock for the purpose of defraying the expenses of the creation and issue of any stock; and shall provide for the redemption of any stock created and issued in pursuance of this article within the period for the redemption of the stock in respect of which the said expenses are incurred.

Copy of Extract from Finance County Stock Regulations of 1891 Redemption of Stock Article II.

(3). If the County Council create initial stock for the purpose of defraying the expenses of the creation and issue of any stock the amount of stock created and issued for that purpose shall be redeemable and extinguished after and within the same period after and within which the stock is to be redeemed and extinguished for the purpose of defraying the expenses of which it was created and issued; and for the purpose of determining the sum to be carried to the

Redemption Fund Account as aforesaid, the amount of the said expenses shall be deemed to be the amount of a loan authorised by a statutory borrowing power, and required to be paid off *within the period within which the stock is to be exinguished.

Copy of letter dated 10th March 1925, from Messrs A. F. Ferguson & Co., Chartered Accountants, to the Secretary, Bombay Port Trust.

We are in receipt of your letter No. 1658 of the 4th instant, with enclosures as therein stated, and we have gone carefully into the three points raised. With regard to (*a*) we are of opinion that the expense should be charged to Capital and liquidated by equal annual instalments from revenue spread over the period of the loan. It would be an unfair charge against Revenue if the total expenses were debited to any one particular year or any period less than the period of the Loan. The writer's experience of Municipal Accounts, County Council Accounts, etc, has been that assets of an unremunerative nature are treated in the Balance Sheet under the head of "Unredeemed Capital Expenditure at date." The Assets are then written down each year so that when the whole debt is repaid the particular assets automatically disappear from the Balance Sheet. In our opinion the procedure followed by your Administration is correct and in general conformity with the procedure of similar local bodies in Great Britain.

(*b*) The procedure followed by your Administration is correct.

(*c*) The procedure followed by your Administration is correct.

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*Under order in Council No. 1390 the words "on or before the date at which the stock is first redeemable at par at the option of the local authority" were substituted for the words "within the period within which the stock is to be extinguished."

Copy of letter dated 25th March 1925, from Messrs. Lovelock & Lewis, Chartered Accountants, to the Chairman, Commissioners for the Port of Calcutta.

We are in receipt of your letter No. 3230 of the 23rd instant, enclosing a note on the subject of Premia and Discounts and Expenses on issue of Loans for Capital Works, and asking us for our opinion on the points discussed therein.

It appears that the Government are entirely wrong in their contention that the expenses of issue should be provided for out of Revenue in the year of issue, or spread over a short term of years if the Revenue is incapable of bearing the cost in one year. The facts recited in the note to prove the inaccurate principle laid down by Government, appear to us to be sound, and clearly indicate the unfair incidence of the cost which would naturally follow any departure from the procedure adopted by the Trust in the past.

In our opinion the only logical way to dispose of expenses on the issue of Loans for Capital Works is by the inclusion of the expenses in the Capital Cost of the Works, eventually extinguishing them out of Revenue by means of the Sinking Fund provided for the redemption of the loan.

Copy of Letters No. 1673-1925 dated 26th June 1925 from the Secretary, Bengal Chamber of Commerce, to the Secretary to the Government of Bengal, Finance Department.

The Commissioners for the Port of Calcutta have forwarded to the Chamber a copy of the joint representation by the Bombay Port Trust and themselves to the Government of India on the subject of the allocation of discounts and expenses (including stamp duty) in connection with capital loans. It is understood that the representation was forwarded to you by the Calcutta Port Commissioners with their letter No. 5330 dated 15th May 1925.

The point at issue is a simple one. The Auditor-General and the Government of India have ruled that, while there is no objection to charges for discount on capital loans being debited to capital account when a full sinking fund is provided for the face value of the loan, stamp duty and other incidental expenses of issue, including underwriting charges, should normally be met from the revenue of the year concerned although it is considered that, on occasions when particularly heavy borrowing for capital works is being undertaken, it would not be unjustifiable to spread the payment over a limited number of years. This ruling involves, it is understood, a material alteration of the system that has hitherto been followed in Bombay and in Calcutta, for until now the two Port Trusts have charged to capital the expenses in connection with the raising of their capital loans, and in their joint letter to you the two Trusts explain the grounds upon which they disagree with the Govenment of India's decision and press for its reconsideration.

The question has been before the Committee of the Chamber, who desire to say that they concur in the view taken by the two Port Trusts. As is shown in the joint letter, this view is in accordance with the practice followed by similar bodies in the United Kingdom and with professional opinion in Bombay and in Calcutta; and on the question of principle involved the Committee have no hesitation in saying that they support it. So far as the practical effect of the opinion of the Government of India is concerned, the Committee are of course directly interested in Calcutta, and the operation of the new procedure here will create a serious additional burden on the present trade of the port, particularly if it is proposed (and the Committee understand that this is the intention) to introduce the new principle with retrospective effect. The total amount involved at present that is to day, the expense incurred in raising loans in the past is the Committee belive, some Rs. 34½ lakhs. Obviously it cannot be maintained that the whole of this sum should be paid from the revenue of a single year, and even if the repayment is to be spread over a period of ten years the annual burden on the trade of the port during this period will be considerably increased.

Capital expenditure of the kind incurred by the Port Trust can benefit but little the trade of the Port in the year in which it is incurred and in the near future. Its benefit is experienced by the trade throughout the years of its utility and it is clearly inequitable that the trade of the present should be called on to bear the whole burden of the expenses of raising loans from which only future users of the port will derive any advantage. The fairest way of treating such expenses is to charge them to capital so that the entire cost of the loan is evenly distributed over the whole period of its currency. The question is of particular importance to the port of Calcutta at the present time in view of the exceptionally heavy capital expenditure already incurred, and still to be incurred, on the King George's Dock extension. As soon as the dock is opened to traffic the interest on the loans, and the sinking fund for their redemption, will have to be borne by revenue, and this in itself will be a sufficiently serious expense to the Port Trust without adding in any one year a disproportionate share of the costs incurred in raising the Commissioners' loans.

The Committee commend this statement of the position to the consideration of the Government of Bengal, and they desire to express the hope that representations will be made to the Government of India with a view to the latter reconsidering their decision and withdrawing the ruling in question.

No. 5769 7th October 1925.

Copy of letter from Bombay Port Trust to Government of Bombay Marine Department.

I am directed to invite reference to Government Resolution, Finance Department, No. 4186 dated 27th August 1925 forwarding for the information of the officers concerned a copy of letter No. D-1881A dated 13th July 1925 from the Government of India, Finance Department, to the Secretary to the Government of Bengal, Marine Department, regarding the treatment of stamp duty and other incidental charges in connection with Port Trust loans.

It will have been noted by the Government of Bombay that the arguments, facts and precedents advanced by the Trustees have not been discussed in the reply received from the Government of India and it appears that in the opinion of that Government, the procedure followed by the Trustees of charging the expenditure to capital is not considered to be in itself unsound, but merely that the Government of India think there are not sufficient reasons to justify this method in preference to charging the expenditure to revenue.

I am directed to say that the matter was further considered by the Trustees at their meeting held on 29th September, 1925, when it was decided to request the Government of Bombay to favour the Trustees with an expression of their views on the point at issue and, in the event of those views being in accordance with the opinion of the Trustees, to arrange for the question under reference to be included in the items for discussion at the next annual conference of Finance Members of the Central and Provincial Governments to be held in November next. I am to say that the Calcutta Port Commissioners have addressed a similar request to the Bengal Government.

The views of the two Port Trusts have already been supported by the Bengal Chamber of Commerce, who have informed the Government of Bengal that they are entirely in agreement with the Port Trusts in this matter (vide attached copy of their letter to the Government of Bengal, Finance Department, No. 1673 dated 26th June 1925). The Trustees have now asked for the support of the Bombay Chamber of Commerce and the Indian Merchants' Chamber and have requested those bodies to forward their views direct to the Government of Bombay. I am to attach for ready reference a copy of the joint representation to the Government of India which was submitted through the Government of Bombay, vide my letter No. 3449 dated 11th May 1925. The Government of Bombay are already fully acquainted with the facts of the case and I am to submit that the Trustees have shown that to charge the expenses of raising loans to capital is in accordance with the fundamental principle upon which the finances of local authorities should be based, namely, that each

generation of tax-payers should pay for the facilities they enjoy. The Trustees have further shown that this practice is consistent with the declared policy of the Government of India in another connection, that it is adopted by similar bodies in the United Kingdom, and that it is supported by professional opinion of high standing. The Trustees would further submit that if their revenues were burdened with the charges in question, the arrears of which in the case of this Port Trust amount to over four lakhs of Rupees, their Revenue Reserve Fund would necessarily be depleted and the adoption of the principle in future years, when large capital borrowings may be necessary, would possibly necessitate an enhancement of Port Trust charges on trade, a course which it is the chief object of the Trustees to avoid.

I am to say that in view of the facts submitted the Trustees confidently hope that they may rely on the support of the Government of Bombay in this matter.

No. T/1531 2nd November 1925.

From Chamber to Government of Bombay Finance Department.

The Bombay Port Trust authorities have drawn the attention of my Committee to a certain difference of opinion that has risen between them and the Government of India on the question of whether stamp duty and other incidental charges on raising loans should be debited against capital or revenue. The Port Trust authorities inform my Committee that their practice always has been to debit such charges to capital and to provide for suitable sinking fund out of revenues for the liquidation of the total normal amount of the loan and charges at the date. The Government of India, however, considered that while the discount on a loan may be so treated, the stamp duty and other charges as well as underwriting should be treated differently and should be written off in the year of issue if the amount is small and by instalments over several years

if the amount happens to be large, but that the whole should be written off within a period of ten years. The Port Trust authorities have shown that the practice they follow is in accordance with the practice of the Calcutta Port Trust and other bodies as well as with the practice of similer bodies in England and with the best accounting opinion and they have already approached the Government of Bombay for an expression of their views on the point with a view to the question being again brought up at the annual conference of Finance Members of the Central and Provincial Governments to be held next month.

The Port Trust authorities have in this connection asked my Committee to also consider the question and forward their opinion direct to the Government of Bombay. My Committee have accordingly carefully considered the question and they are definitely of opinion that the practice heretofore followed by the Bombay and Calcutta Port Trusts is perfectly sound and that the change now proposed to be made by the Government of India is highly undesirable. My Committee belive that the procedure advocated by the Government of India is probably based on the analogy of treatment of similar items in commercial concerns where it is considered sound to write off all such items out of revenue as rapidly as possible, but my Committee are afraid the Government of India have failed to understand the principle on which such writing off is based and to see that what is right in the case of such commercial concerns is quite wrong in the case of Government or semi-government accounts.

When commercial companies write off such items out of their revenues, it is really out of their profits and the object is to prevent the distribution of all the available profits to the shareholders and to build up capital out of such revenue allocations, but while the word "revenue" in the case of commercial concerns means profits, in the case of Government or semi-government bodies it is not profits but taxation, and consequently what may be quite sound in a commercial concern viz. the writing off of items out of profits earned, is quite unsound in the case of Government or semi-government bodies,

because the writings off in the case of the latter really mean diversion of part of the taxation levied from the public from the current legitimate revenue expenditure to the building up of capital Now it is a fundamental canon of taxation that no more or higher taxes should be levied than are necessary to cover all legitimate expenditure, because Government bodies cannot trade or speculate with a view to profits and therefore it has been considered a sound doctrine to take only as much as may be absolutely necessary by way of taxation and to allow the remainder to increase and fructify in the pockets of the public.

The procedure now insisted on by the Government of India is in contradiction to this fundamental maxim of taxation and would compel the Port Trust authorities to collect larger amounts from the public than would otherwise be the case. The charges levied by the Port Trust are a direct charge on trade and differ from other kinds of taxation in the fact that such charges affect each individual trading operation and hamper and retard the development of trade and industry on which the welfare of the country ultimately depends.

My Committee would, therefore, like to strongly support the contention of the Port Trust authorities and would ask the Government of Bombay to take up the matter with the Government of India and to point out to them that while the practice may be sound in the case of commercial concerns, is not only highly unsound but even against the best interests of the country to insist on it in the case of Government or semi-government bodies, and ask the Government of India may be pleased to allow the former procedure to continue.

APPENDIX 34.

CURRENCY NOTES REFUND RULES.

No. F-20-XI-F. Simla, the 15th October 1925.

From Government of India Finance Department to all Chambers of Commerce.

I am directed to forward for the information of your Chamber a copy of this Department Resolution No. F. 20-XI-F., dated the 15th October 1925 on the subject of the amendment of the Currency Notes (Refund) Rules published in the Gazette of India under Notification No. 3201-F., dated the 24th November 1921.

FINANCE DEPARTMENT.

Resolution.

Simla, the 15th October, 1925.

No. F.-20-XI-F.—It is proposed to make the following amendments in the Currency Notes (Refund) Rules, 1921, in exercise of the powers conferred by Section 29 of the Indian Paper Currency Act, 1923 (X of 1923). The amendments will not come into force before the 1st April, 1927, and any objections made before the 31st March, 1926, will be taken into consideration.

2. The object of the proposed amendments is to discourage the cutting of notes. This practice has been proved by the repeated experience of the Currency Department to lend itself to the commission of fraud. The examination of divided notes also entails the expense of much time and care in the offices of the Department and consequent delay in encashment, and inconvenience to the public. Such delay

can of course, be minimised by the appointment of larger establishments than would otherwise be necessary, but the additional cost to the taxpayer of such establishments is heavy and the difficulties of dealing with divided notes has increased considerably with the expansion of the note circulation and is now a distinct impediment to the smooth administration of the currency note system. It seems desirable, therefore, to take steps to discourage the practice which if not actually prohibited in other countries, is only recognised tacitly because it has not reached elsewhere the dimensions prevailing in India; and, though there are objections of a temporary nature to a change of system in this respect, it is thought that the time has come when these temporary difficulties should be faced. It is recognised, however, that any procedure to be adopted with this end in view must be considerate and cautious and the amendments proposed are framed on conservative lines. The only two changes of importance in the Refund Rules are the following :—

(*a*) No claims on half or mismatched notes of the denominations of Rs. 5 and Rs. 10 will be admitted, i.e., the possession of a half note of one of these denominations will no longer constitute a claim to payment of the full value of the note, although cut notes properly joined together will be paid as hitherto, and claims on mutilated notes will be admitted if the portion presented is clearly more than half the note and the note can be identified by the enquiring officer as genuine.

(*b*) On half notes of the denominations of Rs. 50 and upwards half the value of the note will be paid at a Currency Office fourteen working days after its presentation, provided that in the meantime the counterpart has not been presented with a claim to the full value of the note. On the other hand, claims to full value on a note of which only a half is presented will be dealt with in the same way as claims on lost or wholly destroyed notes, and claimants will not obtain payment till after the lapse of 5 or 6 years instead of obtaining

payment after the lapse of a period varying from six months to a year. In short, the effect of this change is to make it easier for the public to obtain half value on a half note, but to make it more difficult for them to obtain full value on a half note. It will, therefore, increase the risk of cutting notes.

3. The main objection which may be urged against the proposed amendments is that they would increase the risk of remittance of notes by post. In view of the facilities for cheap remittance which are now given by Government and the Imperial Bank, by means of bank transfers, currency transfers, Money Orders and postal insurance of notes up to the value of Rs. 2,000, it does not appear that the public would be seriously inconvenienced if notes were never cut for remittance by post. But the amendments proposed in the Rules will not absolutely prevent the cutting of notes for remittance by post: they will merely increase the risk of doing so, and it will be open to the public to take this risk if they wish to do so, or to insure against it.

Draft Amendment of Currency Notes Refund Rules.

Rule 2.—Substitute the following for Rule 2 (*g*):—

"A mutilated note means a note of which a portion is missing, provided that the portion presented is clearly more than half of the note, and that if the portion presented has been joined each part of such portion is identifiable as of the same note."

Rule 3.—For Rule 3 (1) as substituted by the G. I. F. D. Notification $\frac{\text{Accounts and Finance}}{\text{Currency Paper}}$ No. 2252-F., dated the 7th November 1922, substitute the following:—

"Claims in respect of notes of which the denomination does not exceed ten rupees may be presented at any office of issue and shall be dealt with at the office of issue at which they are presented."

Delete Rule 3 (2) as inserted by the above notification and re-number the present Rules 3 (3) and 3 (4) as Rules 3 (2) and 3 (3).

Rule 5.—Substitute "ten rupees" for "two and a half rupee" at the end of sub-rule (2).

Insert the following as Rule 6A :—

6A. Claims to the value of a half note shall be rejected unless the number of the note is identified by the enquiring officer on the half note is entire and has not been divided and joined together."

In Rule 7 delete from the words "unless the portion presented" to the end and substitute "unless in the opinion of the enquiring officer the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these rules".

In Rule 9 insert the words "of a denomination exceeding ten rupees" after "mutilated note".

Rule 11.—Substitute the following for Rule 11 :—

(1) Claims to the half value of a note of which half only is presented by the claimant shall be dealt with as follows :—

(*a*) If a counterclaim to the full value of the note has not been received before the presentation of the claim or within fourteen working days thereafter, half the value of the note may be paid to the claimant on the expiration of such fourteen days.

(*b*) If full value of the note has already been paid on a claim under Rule 14, the claim shall be rejected.

(*c*) If a counterclaim to the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note in

accordance with clause (*a*), the enquiring officer shall consider both claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note or may reject both claims.

(2) Claims in respect of a mismatched note shall be deemed to be separate claims in respect of each half thereof, and shall be dealt with as provided in sub-rule 1.

Rule 13.—Insert the words "or of which the portion presented is neither a half note nor a mutilated note" after the words "wholly destroyed" in Rule 13 (1) (*b*)

Rule 14—Substitute the following for Rule 14 :—

"14. If the enquiry has been made in respect of a claim under Rule 13 (1) (*a*), the Deputy Controller on receipt of the record from enquiring officer, if empowered under the proviso to Rule 6 (*a*), may pass order as follows ;—

(1) If the counterpart has been presented and half the value of the note has been paid under Rule 13, he may order half the value of the note to be paid forthwith ;

(2) If the counterpart has been presented with a claim to half the value or the full value of the note and that claim is pending he shall consider the two claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note, or may reject both claims ;

(3) If the counterpart has not been presented,

(*a*) if he is not satisfied that the counterpart has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith ;

(*b*) if after considering the record of the enquiry under sub-rule (2) of Rule 13 he is so satisfied, and is satisfied that the claimant was the last lawful holder of the whole note, he shall cause to be published in the *Gazette of India* and in three successive issues of the local official Gazette, a notification stating the particulars of the note of which one half is alleged to have been lost or destroyed, and the name of the claimant, and calling upon any person having a claim in respect of such note to submit the same forthwith ;

(*c*) if, on the expiration of two years from the date of the first publication under the sub-clause (*b*), the counterpart of the half note has not been presented, the Deputy Controller may order an amount equivalent to the full value of the note to be invested in Government securities, or to be deposited in the Post Office Savings Bank ;

(*d*) if, on the expiration of a period which shall be determined by the Deputy Controller, but which, unless the Governor General in Council otherwise directs, shall not be less than five years after such first publication, the counterpart of the half note has not been presented, the Deputy Controller shall order the securities referred to in sub-clause (*c*), or the deposit in the Post Office Savings Bank, as the case may be, with the interest which has in meantime accumulated thereon, to be delivered to the claimant, or, if the claimant is dead to his legal representative, on a bond, with or without sureties, executed in the form set forth in Schedule I or II ;

(*e*) if, prior to the expiration of such period, the counterpart is presented with a claim to the full value or half the value of the note, the proceedings under sub-clauses (*b*) to (*d*) shall be cancelled and the two claims shall be dealt with under clause (2)."

List of Schedules.

Substitute "Rule 14 (3) (*d*)" for "the proviso to Rule 14 (*c*)" in entries under Schedules I and II.

Schedule I.

For "lost" at the end of the second paragraph substitue "wholly destroyed / lost."

Schedule II.

For "lost" at the end of the second pragraph substitute "wholly destroyed / lost."

Ordered that the Resolution be published in the *Gazette of India.*

A. C. McWATTERS,

Secy. to the Govt. of India.

(C) GOVERNMENT STORES PURCHASE POLICY.

APPENDIX 35.

STORES PURCHASE.

No. T. 458 31st December 1925.

From Chamber to the Government of India Department of Industries and Labour.

I have received copies of the half-yearly statement of cases in which the lowest tender has not been accepted by the India Store Department, London, enclosed with your letter of 23rd February

1925, No. S-424. My Committee are surprised to find that some of these tenders were referred to the indenting officer to whom the selection was apparently left. Thus tenders for microscopes were referred to the indenting officer who selected the higher priced tenders.

With regard to papers the indenting officer seems to have insisted upon Messrs. Dickinsons' papers, though there is no plausible reason why such an emphasis should be made upon the paper manufactured by this particular firm. Rejection of the lowest tender for £4700 (British) in favour of higher tender of £7000 approximate (U. S. A.) for the purchase of draglin excavators is a glaring instance of this practice of referring indents back to indenting officers. There is no satisfactory reason advanced as to why a tender costing nearly double the taxpayer's money should have been accepted by the indenting officer. My Committee fear that this practice of referring tenders to the indenting officers is calculated to take away some of the responsibilities from the High Commissioner and to substitute no one who can be accountable to the Legislative Assembly. My Committee are obliged to make these remarks as a bare reference of tender to the indenting officers is held to be a sufficient and good reason for the acceptance of tenders though they may not be the lowest. They will be much obliged if the Government will be pleased to inform them if this practice of referring tenders to the indenting officers has been set up only recently or it has been in vogue for a long time and also if the Government will be pleased to state the reasons, if any, for setting up such a practice and for its continuance any longer, looking to abuses to which it may easily be exposed.

APPENDIX 36.

RUPEE TENDERS.

No. T. 1589 4th May 1925

From Chamber to the Government of India Department of Industries and Labour.

I am directed by my Committee to invite your attention to the letter from this Chamber, No. T-1454, dated the 10th December 1924, which except for a formal acknowledgment remains unreplied. In the meanwhile my Committee regret that Government have not found it possible to take action on the resolution of the Assembly passed unanimously pressing on Government to adopt the system of Rupee tenders for delivery in India for all articles of Government requirement. The reform indicated in that resolution had the support of Indian as well as British commercial communities, and it is likely to reflect directly and indirectly on the well-being of this country as well as on the finances of Government. I am directed to send herewith a note indicating the advantages of the adoption of the system of Rupee tenders and to express a hope that Government will find convenient to give effects to this policy, which this Chamber has urged for the last few years, without any further delay. I am to point out that the present state of depression of industry and trade in this country affords a suitable opportunity for insitituting a reform of this kind and if the Government wish to ward off the suspicion that on a purely domestic issue like this they are yielding to pressure from interested quarters from the United Kingdom, they should seize this opportunity and earn the gratitude of Indian and European commercial communities.

NOTE.

Arguments in favour of the Rupee Tender.

1. Avoids all charge of unfairness to Government in comparison with prices where simultaneous tenders are called,

Enables such articles as are manufactured in this country to secure State patronage after they have brought their manufacture to the required specifications and they have shown themselves able to compete on equal terms with imported material.

3 Enables precise and detailed knowledge of Govenment purchases and of the prices at which these purchases are made to be disseminated amongst manufacturers so to enable them to make their own calculations and see wheher they may not attempt to extend their own operations so as to be able to supply Government requirements.

4 Will secure a larger investment of capital in this country by foreign firms, who will establish not merely commercial agencies for the purpose of quoting, but branches that will carry a stock of spare parts, all designs, calculations and drawings and will also carry technical services both for the erection and repair of equipment.

5. This would result in

(*a*) Savings to Government on the stores, which they would have to carry at present,

(*b*) Saving in respect of unserviceable stock which accumulates in the stores on account of the type going out of use, or wear and tear and deterioration on account of time,

(*c*) It would save cable charges between England and India for conveying all the specifications and requirements and several cross-enquiries with regard to details.

(*d*) It would save the loss at present incurred in many cases when the indenting officer is unable to use the equipment imported by him, because he is not able to erect it and work it properly. He is disinclined to own his incapacity, because he cannot distinguish whether the failure of a particular equipment to give the specific results is due to his own ignorance or to any defect in the supply. Many cases have been known of this kind,

(*e*) It will save the lengthy correspondence, which involves both loss of time and some costs and in any case considerable effort to secure replacements when defective material has arrived.

(*f*) The facilities through the keeping of spare parts and technical service in this country would be available to the public and private enterprise would be encouraged. The supply in particular to the industrial efforts of small parties, who have no facilities for direct communication with the makes and who are therefore necesarily obliged to pay heavy charges to commission agents both in this country and abroad, would increase. It would also save in the outlay of capital owing to any need for carrying spare parts, and in general suppliers of different kinds of equipment would spread some technical knowledge both amongst their subordinate staff with regard to erection, repairs and general use in many directions.

Stamp duty on all contracts made in India would come to Government revenue as well as duty on cheques. Banking would be given an encouragement through balance of these foreign manufacturers remaining in India in certain quantity. Local and municipal rates would be swelled by the advent of foreign business houses and income tax receipts, both from the operations of these branches and from payments made to superior employees would come to the Government of India. Indian ports and railways are bound to secure larger freight in some directions.

7. Heavy expenses of consulting engineers, which a purely purchasing agency in London has to incur, would be saved either completely or spent very largely in India by the uses of superior technical staff engaged at present in the Indian Stores Department and in several other departments of Government. The saving would on large operations be considerable.

8. It will bring India in larger contact with the industrial world. Not only the manufacturers in the United Kingdom but from

other parts, who want to take advantage of the conditions of supply, would compete on equal terms. The accusations, which are constantly levelled at the Govrnment that they are not always purchasing in the lowest market, would therefore disappear. The preference at present shown by indenting officers for a particular manufacturer, which defeats this rule, would also disappear. Restricted knowledge with regard to parties, who came to supply a given article, which at present determines such preferences, would expand.

9. All items, which involve heavy freights on accounts of classification or bulk would be either assembled or actually manufactured on this side.

10. Foreign manufacturers would therefore be induced either to make greater use of existing workshops and foundries and other factories, or to establish more shops and plants of their own.

APPENDIX 37.

TENDERS FOR COAL FOR THE LLOYD BARRAGE AND CANAL CONSTRUCTION.

No. T. 779. 24th June 1925.

From Chamber to the Government of Bombay General Department, Bombay.

The attention of the Committee of this Chamber has been drawn to the fresh tenders for coal invited by the Chief Engineer, Lloyd Barrage and Canal Construction under advertisements dated the 1st instant.

2. When the subject was last discussed in the local Legislative Council the Hon'ble the General Member said as follows:—"Now, Sir, what is to happen in the future? In future there is no doubt

that we shall go in for Bengal Coal. But I would ask my honourable friends to consider one point, namely that a Coal Committee has been appointed to find out why there is not enough demand for Bengal Coal. The point is that these collieires will not give us consistent quality and regular supplies, and therefore, for work which is so important as this is it is not merely running the boilers of mills the result is that the loss per hour is enormous if our machinery ceases to work. Therefore, we must have guarantee of quality and guarantee of delivery and if after this the collieries will give us this guarantee and I trust they will see their way to do so there is no doubt that we shall buy Bengal Coal, and we shall buy Bengal Coal if it is even at a little loss to the Lloyd Barrage." My Committee were therefore under the impression that in fresh calls for tenders the terms would be so revised as to give a fair chance to Indian coal but they very much regret that this is not the case.

3. The conditions that impose a special handicap on the Indian industry to the advantage of foreign coal are (1) call for quotations for Karachi and (2) call for quotations ex-stocks. Of these, the first operates most unfairly for the following reasons. The Railway freight from Jharria to Sukkar will be Rs. 15 and to Karachi Rs. 16-15. Therefore if an Indian colliery wanted to quote it would have to tender at Rs. 22 for Sukkur and Rs. 23 for Karachi or thereabouts. These are the rates for railborne coal from collieries, but if this coal has to be landed at Karachi by sea, stocked there and railed to Sukkur as required, the c. i. f. quotation has to be increased as much as. Rs. 6 which is the Railway freight from Karachi to Sukkur.

4. On the other hand the Railway freight between Karachi and Sukkur being Rs. 6 per ton importer of overseas coal would have to quote Rs. 20 for Karachi and Rs. 26 for Sukkur. We have taken the current market quotation for 1st class Bengal and Natal coal in making up our above quotations.

5. It will at once be seen that although at Sukkar Indian coal could be laid down far cheaper, at Karachi it looks dearer and Government are thereby misled into thinking that the officer concerned

had accepted the most favourable tender only. My Committee would like to point out that the coal must be needed at or near Sukkur where the Barrage is actually being built and the calling of tenders for Karachi delivery really amount to a bounty of Rs 6 (the Railway fright between Karachi and Sukkar.)

6. My Committee are confident that the assurance given by the Honourable the General Member conveyed the real intention of Government and that it is only necessary to point out the unfairness of the present destination in the tender for the same to be at once rectified.

7. There is another thing that also acts very unfairly to the Indian collieries. This is the case of tenders f. o. r. destination instead of f. o. r. colliery. The reason why it operates so unfavourably is the fact that the Railways have for some years past insisted on the freight of coal being all prepaid instead of its being made payable at destination. As freight on coal is frequently twice or thrice its orignal value at the factory, it will at once be seen that it means a very large amount of finance, on the part of the collieries and the financing of it through Banks is a difficult problem because while Natal or other foreign coal can finance all its cost, freight and charges right up to Karachi by a 60 day, sight Bill, this practice is not in vogue in the internal trade. My Committee have been trying hard for sometime last to have this disability removed and coal being again accepted by Railways "freight to pay". While this question does not directly concern the Bombay Government, it has a very important bearing on the tenders now being called for. The Railways have opposed the demand for "freight to pay" on the ground that wagons were sometimes refused on arrival and the Railways put to loss even after realisation of the coal although they have failed inspite of repeated requests to show what percentage loss they have suffered. In any case the Railways cannot put forward the same argument were an important Department of the Bombay Government was the consignee.

8. My Committee therefore urge that the officer in charge of Lloyd Barrage be instructed to modify the terms of tender as follows:—

(1) That the quotations be for Sukkar, not Karachi,

(2) That Indian collieries who tender can at their option tender either f. o. r. colliery or f. o. r. Sukkur.

The above does not involve any sacrifice of quality or price and my Committee therefore feel confident that Government will see no difficulty in adopting the above suggestions and will thus fulfil the undertaking the Hon. the General Member has publicly given on behalf of Government.

9. My Committee are aware that the Indian Mining Federtion has also raised the question of quotations f. o. r. colliery and my Commttee beg to give their hearty support to this suggestion of the Indian Mining Federation as the present f. o. r destination method is a most serious handicap to most Indian collieries.

No. T. 797 26th June 1925.

From Chamber to the Government of Bombay General Department, Bombay.

With reference to my letter No. T. 779 dated the 24th inst., I have to request you to make the following corrections therein :—

Para 7 Line 12 ; The word 'Cash' should read "Cost".

Para 7 Line 12 : Instead of '6o % it should read "60 days sight bills".

Para 7 Last but second line : Instead of 'just forward' it should read "put forward".

Page 4. last Line : Instead of 'does involve' it should read "does not involve".

These discrepancies which were due to the typist's mistake are regetted.

No. 488 I. W. 11th August 1925.

From Government of Bombay Public Works Department, Irrigation, and Railways to Chamber.

I am directed by the Governor in Council to refer to your letters noted in the margin containing the suggestions of your Committee regarding the conditions for the supply of coal for the Lloyd Barrage and Canals Construction. You assume that the coal is needed at or near Sukkur where the Barrage is being built and urge that the Chief Engineer in charge of the works be instructed to modify the terms of the tender so that the quotations be for Sukkur and not Karachi and the Indian collieries be allowed to tender at their option either f. o. r. colliery or f. o. r. Sukkur. In reply I am to state that almost the whole of the Government machinery located at Sukkur is to be run on oil fuel and hardly any coal is required there at all. Further the coal is not required at any one place. It is supplied to a series of changing points of delivery to a fleet of mechanical excavators which are continuously moving along canal alignments and the supplies are required in small quantities at one time at a large number of stations which are subject to change as progress takes place. The scattered nature of the works and the constant shifting of the points of demand makes it imperative for Government to have a coal depot at a convenient place. Sukkur cannot be used as a distributing centre as there are not the facilites there for stocking and handling coal supplies and the ready means of obtaining transport at a moment's notice. Karachi enjoys these advantages in a pre-eminent degree and it has therefore been selected as the most convenient site for stocking the coal.

Letter No. 779, dated 22-24th June
" No. T. 797, dated 26th June 1925. to the Secretary to the Government of Bombay, General Department.

2. With regard to your Committee's suggestion regarding the the acceptance of tenders on f. o. r. colliery basis, I am to observe that the main drawbacks attendant on this system are uncertainty of delivery and shortage of coal. Moreover, this arrangement necessitates the check of the quality and quantity of coal at pit's head by Government agency. On the other hand, the supply of coal on

f. o. r. Karachi basis is decidedly advantageous to Government because under that arrangement payments will be made on the weight of the coal actually loaded into wagons at Karachi, the weight being that appearing in the weignment bills of the Railway Company from whose siding the coal has been despatched. Thus the loss and wastage in transit to Karachi and while stocked there, risk and cost of storage and handling and interest on capital etc. are entirely the liabilities of the supplier. In these circumstances, the Governor in Council is of opinion that any relaxation of the condition which requires the supply of coal on f. o. r. Karachi basis would conduce neither to efficiency nor economy. Government therefore regret that it is not possible to comply with the suggestions made by your Committee.

No. T. 1211 7th September 1925.

From Chamber to the Government of Bombay Public Works Department, Irrigation and Railways.

I am directed to acknowledge the receipt of your letter of the 11th August 1925 No. 486-IW.

My Committee fear that the Government have not realised and appreciated the importance and significance of their contention. The perusal of your letter has not convinced my Committee as to Karachi, being the most suitable place for laying by stores of coal for use in connection with the Sukkur Barrage. It is mentioned in your letter that coal is not required at any one place but is supplied at a series of changing points of delivery to a fleet of mechanical excavators which are continuously moving along the canal alignments and the supplies are required in small quantitities at a large number of stations which are subject to charge as progress takes place. Sukkur is at a distance of about 196 miles from Karachi and my Committee would like to know at what distance from Karachi all these stations are situated or are likely to be situated as also the distance from Karachi where these excavators are operating. If the field of operation of these excavators is nearer Sukkur than Karachi, my

Committee's original contention is fully justified. If these excavators have to work near Sukkur or in the part of the river on the other side of Sukkur which would be still further away from Karachi there would be no meaning in having stocks of coal at Karachi.

2. Government speak of the following advantages by purchases at Karachi:

(2) That payment is for coal actually loaded into wagons and saves Government risk of loss and wastage in transit;

(2) That Government are saved the risk and cost of storage;

(3) That interest on capital locked up in such storage is also saved:

But they entirely overlook the fact that by buying for delivery Karachi, Government make themselves responsible for the haulage from Karachi to the points of consumption. If these are, as my Committee presume, within a radius of 20-25 miles from Sukkur, it means that Government pay Rs. 6 per ton for haulage of coal from Karachi that they need not have paid if the delivery point had been Sukkur. It is to this extent that the Indian coal is needlessly handicapped and the foreign coal subsidised by buying for delivery at Karachi. The saving that Government would make of Rs. 6 per ton as above would be far in excess of any saving of interest. As for storage, my Committee are unable to understand why it should be impossible, with the enormous extent of the work going on at Sukkur, to provide for the necessary storage facility along the Railway line near Sukkur for the comparatively small amount of coal that would be required for say, two months a head because if Indian coal is bought, the supplies could be kept moving regularly and any larger stocks would be quite unnecessary.

3. As for risk of loss in transit my Committee do not see how this is avoided because the less and wastage is always particularly heavy in rail borne coal and under the present arrangements it is Government that take on this risk from Karachi to destination.

4. My Committee note that the main objection to purchases f. o. r. colliery is uncertainty of delivery and shortage of coal. They are of the opinion that if coal is bought from first class Indian collieries the suppliers would be prepared to guarantee delivery and quantity. However even this objection does not hold for purchases made for Sukkur because then payment would be for quantities delivered.

5. My Committee would therefore respectfully urge once more that future tenders be called for delivery at Sukkur, weight guaranteed, in order to enable Indian collieries to secure the business to which their comparative proximity to Sukkur entitled them and to prevent foreign coal being subsidised as it now is to the extent of the haulage from Karachi to Sukkur. In an enterprise like the Barrage in which many crores of Indian capital are to be sunk it should not be considered extraordinary to ask that the Indian product should get preferential treatment but what my Committee now ask is not any preference but merely terms which will ensure fair-play to the Indian product and they therefore hope that tenders for the Barrage will in future be called for delivery at Sukkur when alone can the Indian product be said to have such fair play.

No. 488-I. W. 26th September 1925.

From the Government of Bombay Public Works Department to Chamber.

With reference to your letter No. T-1211 dated the 7th September 1925, I am directed to inform you that, as already intimated, Karachi is the most convenient site for a coal depot so for as this Government's requirements are concerned, which they must insist on having there. And judging from the number of tenders received in response to the last advertisement for the supply of coal for the Lloyd Barrage and Canals Construction it is quite feasible for firms to hold stock at Karachi. Further I am to state that in connection with the above-mentioned requirements for the year 1925-26 which was advertised

for f. o. r. Karachi exstock, a tender for Indian coal has been accepted And I am to add that it is the definite intention of Government to give every facility to Indian coal; and they do not consider that having a depot at Karachi is in any way, inconsistent with the above mentioned policy.

APPEEDIX 38.

TENDERS FOR STORES AND CONTRACT WORKS BY PUBLIC BODIES.

No. 1690 Dated 27th May 1925

From Chamber to Chief Justice, High Court; Municipal Corporation; Improvement Trust; Development Department; Port Trust; Chief Presidency Magistrate; Commissioner of Police; Official Assignee; Official Receiver; Administrator General; Commissioner of High Court, Bombay.

I am directed by the Committee of this Chamber to draw your attention to the fact that the policy of inviting competitive tenders whenever any contract is to be entered into for Stores or Services is now followed practically in all case by several Government Departments and public bodies. My Committee are informed that such a policy is not followed by your department in some cases *e.g.*, appointment of auctioneers, purchase of Stores, etc. There may be strong reasons of which my Committee may be unaware for following this procedure but my Comittee are of opinion that in public interest such a practice should cease and be replaced by that of inviting tenders which would eliminate any possibility of public interests not being looked after. My Committee trust that your department will see its way to adopt their suggestion.

No. 4224 24th June 1925.

From Bombay Port Trust to Chamber.

With further reference to your letter No. T-690 dated 27th May, 1925, I am directed to state that the whole question of inviting competitive tenders by advertisement for stores and materials was considered by the Trustees at their Meeting held on the 26th May, and the Board decided that when the value of the order is likely to exceed Rs. 5,000, tenders or quotations should be invited by advertisement unless any special reasons should justify a departure from this rule, in which case the reasons are to be reported to the Trustees.

With regard to competitive tenders for works, I am to state that an approved list of contractors of sound financial reputations and experience is maintained, and added to from time to time, and competitive tenders are invited from among them. This procedure ensures the maximum of economy compatible with reliability and it eliminates worthless tenders from unreliable and inexperienced parties who more often than once would be unable to fulfil their engagements.

As regards Auctioneers, I am to state that as far as the Port Trust is concerned, practically the only work for which Auctioneers are engaged is in connection with the periodical sales of uncleared cargoes in the Docks. These sales have to be carried out within Customs limits and require the exercise of great care and strict observance of the Customs, Port Trust and Excise regulations, and continuity of appointment of a firm of Auctioneers conversant with these requirements and good financial standing and undoubted reliability is therefore most essential. The Auctioneers employed by the Port Trust fulfil these requirements and have always given satisfaction and it is not considered that any change would be beneficial.

No. S. B.—986 26th June 1925.

From Development Department of Bombay to Chamber.

With reference to your letter No. T-690, dated the 27th May 1925, on the subject noted above, I am directed to state that the

practice followed by this Department is that large contracts for execution of works or supply of stores are advertised. Small contracts are put up to tender by selected contractors and petty purchases are made in the same manner. Stores surplus to the requirements of the Department are advertised. Lands in charge of the Department are not auctioned off but sold at fixed rates. The Department does not hold auctions and does not therefore appoint auctioneers.

Bombay, 17th August 1925.

From Official Receiver to Chamber.

I am in receipt of your letter of the 27th May 1925 and your reminder of the 13th instant. I have to state in reply that having regard to the practice of this office which has worked and has been working successfully for over 20 years, I see no reason to depart from the same.

No. 1376. 18th August 1925.

From Administrator General of Bombay to Chamber.

I have the honour to acknowledge receipt of your letter No. T. 690 of the 27th May last and subsequent reminder of the 13th instant.

So far as this office is concerned the greatest care is taken to safeguard the interest of the various estates and trusts which come under its control and the suggestions made by your Committee are received with thanks, though after careful consideration it does not appear that I shall be able to alter the present practice under which the most favourable prices are endeavoured to be obtained by tender or otherwise as the circumstances of each individual case demand.

This office does not handle public moneys as your letter would appear to indicate.

19th August 1925.

From Official Assignee of Bombay to Chamber.

With reference to your post card No. T. 1050 of the 16th instant I have to state that I have considered the matter mentioned in your letter of the 27th May last but it is not possible to adopt the suggestion made therein.

No. 525 20th August 1925.

From Prothonotary and Registrar, O. J., H. Ms. High Court to Chamber.

With reference to your letters dated the 27th May last addressed to the Honourable the Chief Justice and Commissioner of this Honourable Court for Taking Accounts and the subsequent reminder dated the 14th instant addressed to the Honourable the Chief Justice, I am directed by his Lordship to inform you that, in his Lordship's opinion, it does not seem necessary for the Commissioner to invite competitive tenders for the purchase of stores, as suggested by you. The Commissioner hardly ever purchases any stores (as most of the articles required by him are furnished by the Government Stationery Department). When a property has to be sold, the Commissioner usually gets the property valued by an expert who is selected in consultation with the parties concerned. It is only in rare cases that a property is sold through an auctioneer under a Judge's Order. With regard to the stores purchased for the Original and Appellate Sides of the High Court, they mostly consist of stationery supplied by the Government Stationery Department.

No. 8297-48-D 28th August 1925.

From Commissioner of Police Bombay to Chamber.

In reply to your letter No. T 690 dated 27-5-1925 I write to inform you that competitive tenders are invited by this office for supplies and services wherever possible

APPENDIX 39.

TIME OF DELIVERY IN PUBLIC TENDERS.

Nos. T-1248, 1249-12th September 1925.

From Chamber to (1) Bombay Municipal Corporation, (2) Bombay Port Trust.

The attention of the Committee of this Chamber has been drawn by a member to the fact that several public bodies whilst calling for tenders do not mention in their advertisements the time of Delivery. My Committee have seen some of these advertisements and found that the complaint is correct as the time of delivery is not mentioned in these. It is considered that such a procedure is faulty and liable to abuse where the officer dealing with the tenders wishes to favour a particular party. Your Standing Committee / Board will readily admit that the continuance of such a practice is not in the public interest and it is because of this that my Committee feel constrained to write to you requesting Standing Committee / Board to be pleased to insist henceforward on a definite time of delivery being specified in all advertisements for tenders called for by them.

No. 5484 18th September 1925.

From Bombay Port Trust to Chamber.

I am directed to acknowledge receipt of your letter No. T-1249 dated 12th instant and to say the point referred to has recently received the Chairman's attention and suitable orders have been issued for the guidance of Port Trust Departments.

No. 302 D 13th October 1925.

Municipal Commissioner to Chamber.

With reference to your letter dated 12th September, 1925, addressed to the Municipal Secretary, I have the honour to say that the time of delivery, though not always specified in the advertisements calling for tenders, is invariably specified in the tender form which is supplied to would-be tenderers on appl ication. No further action is, therefore, contemplated on your letter.

(D) TARIFFS AND TAXATION.

APPENDIX 40.

BILL TO FURTHER AMEND THE INDIAN TARIFF ACT, 1894.

A

BILL

Further to amend the Indian Tariff Act, 1894.

Whereas it is expedient further to amend the Indian Tariff Act, 1894, for the purposes hereinafter appearing; It is hereby enacted as follows :—

1. (1) This Act, may be called the Indian Tariff (Amendment) Act, 1925.

Short title and commencement.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, and different dates may be appointed for different items in the Schedule,

2. In the Second Schedule to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act.

Amendment of the Second Schedule, Act VIII of 1894.

THE SCHEDULE.

(See section 2.)

1. In Item No. 9, after the words "kainit salts" the words "carbonate of lime, urea" shall be inserted.

2. After Item No. 10, the following item shall be inserted, namely ;—

"10-A.] Rubber, raw".

3. After Item No. 14, the following item shall be inserted, namely ;—

"14-A. 1 Sulphur, raw".

4. In Item No. 15:—

(i) for the word "seed-crushers" the words "seed and corn crushers" shall be substituted ;

(ii) after the word "hay-tedders" the words "potato diggers, latex spouts, spraying machines" shall be inserted ; and after the word "implements" where it occurs for the second and third time the word "machines" shall be inserted.

5. After Item No. 21, the following item shall be inserted, namely :—

"21-A. 1 Postage stamps, whether used or unused".

6. In Item No. 22, after the words "used gunny bags" the words "or cloth" shall be inserted.

7. For Item No. 34 the following Item shall be substituted, namely ;—

"34	Sugar, excluding confectionery (see No. 124)—		Rs. A.
	(1) Sugar, crystallised or soft 23 Dutch Standard and above	cwt.	4 8
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard	cwt.	4 0
	(3) Sugar, below 8 Dutch Standard, molasses and sugar candy.	*ad valorem*	25 per cent.

8. In Item No. 37, the words "and Cigarettes" shall be omitted.

9. After Item No. 37, the following item shall be inserted, namely:—

"37-A.] Cigarettes] per thousand] Rs. 8-0".

10. After Item No. 45, the following item shall be inserted, namely;—

"45-A.	Silk mixture that is to say, fabrics comp-		
	(*a*) osed in part of some other textile than silk and in which any portion either of the warp or of the weft but not of both is silk;	*Ad valorem*	20per cent
	(*b*) fabrics not being silk on which silk is superimposed such as embroidered fabrices;		
	(*c*) article; made of silk mixtures and not otherwise specified (*see* No. 100 A).		

11. In Item No. 53, the word "and" shall be omitted, and after the words "aeroplane engine parts", the words "and rubber tyres and tubes used exclusively for aeroplanes" shall be added.

12. (i) In Item No. 61, the words "including discs and circles" shall be omitted; and after the words "sheets and plates, all sorts" the words and brackets "(including discs and circles)" shall be inserted; and after the figures "148" the letter and figures "148-A" shall be inserted.

(*ii*) To Item No. 61 the following shall be added, namely:—

" Iron or Steel designed for the reinforcing of concrete, not otherwise specified (*see* Nos, 144 and 151)

Iron or Steel, expanded metal".

13. In Item No. 62, the words "expanded metal " shall be omitted,

14. In Item No. 63, after the words " brake gear " the words " shunting skids" shall be inserted, and after the word " traversers " the words " rail removers, scooters " shall be inserted.

15. In Item No. 85, after the word " silk " the words " or silk mixtures " shall be inserted, and for the word and figures " No. 134 " the words, figures and letter " Nos. 100-A and 134 " shall be substituted.

16. To Item No. 99, the following shall be added, namely:—

"and postage stamps, whether used or unused (*see* No. 21-A)".

17. In Item No. 100, the words " used gunny bags" the words or cloth " shall be inserted.

18. After Item No. 100, the following item shall be inserted, namely :—

" 100-A,	Silk goods used or required for medical purposes, namely :- Silk ligatures ; elastic silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages ; silk abdominal belts, silk web catheter tubes, and oiled silk".

19. After Item No. 106, the follwing item shall be inserted, namely :—

"106-A	Fireworks specially prepared as danger or distress light for the use of ships"

20. In Item No. 115 far the word and figures "No. 139" the words and figures "Nos. 53 and 139" shall be substituted.

21. To Item No. 134, the following shall be added, namely :—
"not otherwise specified (*see* No. 106-A")

23. After Item No. 148, the following item shall be inserted, namely ;—

"148-A	Iron or Steel discs and circles cut from plates or sheets of the kind specified under Nos. 117 and 148 :—	
	galvanised	Ton Rs. 45 Ton Rs. 30

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to bring Schedule II to the Indian Tariff Act, 1894 (VIII of 1894), up to date by incorporating in it alterations already in force by virtue of notifications issued under section 23 of the Sea Customs Act, 1878 (VIII of 1878). These notifications represent in many cases rulings by the Government of India on questions relating to the interpretation of the Statutory Tariff Schedule. Opportunity has also been taken to include in the Bill certain other proposals. These are dealt with *seriatim* below. They are included in a separate Tariff Bill instead of in the Finance Bill because they have not been made primarily with reference to the revenues of 1925-26.

2. *Sugar*.—The present import duty on sugar is an *ad valorem* duty of 25 per cent., assessed on a tariff valuation which is calculated for each calender year on the average price during the twelve months ending the previous September. This method of assessment causes inconvenient fluctuations in the revenue receipts from year to year, which will be largely avoided by the substitution of a specific for an *ad valorem* rate of duty. Sugar is moreover an article well suited for specific duties and, in fact specific duties on sugar are adopted by most countries. It is proposed to convert the existing 25 per cent. *ad valorem* duty into an equivalent specific duty *viz.*, Rs. 4 8-0 a Cwt. on sugar 23 Dutch Standard and above Rs. 4-0-0 a Cwt on sugar between 23 and 8 Dutch Standard.

3. *Cigarettes* :— A specific duty of Rs. 8 per thousand on cigarettes in place of the present *ad valorem* duty of 75 percent is proposed. *Ad valorem* duties which are based by law on market values are difficult to administer at outlying port or customs stations, if uniformity of assessement throughout India is to be secured. Also it is not simple to determine what is the market price of unknown marked imports of cigarettes. When an *ad valorem* duty is as high as 75 per cent. these difficulties lead to unfair disparities in assessment. Cigarettes are articles well suited for specific duties, and many importers prefer them in place of *ad valorem* ones. A change to specific should thus both simplify Customs administration and meet importers' convenience.

4. *Silk mixtures*.— An intermediate rate of import duty *viz*., 20 per cent, is proposed on silk mixtures. The present wide difference in rates between silk goods and other textile causes constant difficulty to trades and at Custom Houses. It is therefore considered desirable to have a special entry in the Schedule for silk mixtures which will be defined as having silk in warp or weft or silk superimposed. If the fabric has silk in both warp and weft, it will be assessed as silk.

5. *Iron or Steel—Discs and Circles*.— This proposal merely aims at rectifying an error in the Schedule to the Steel Industry (Protection) Act, 1924. It has been held that the inclusion of the words "discs and circles" in Item 61 of the Schedule and the fact that they are not specifically mentioned in Items 147 and 148 make all discs and circles assessable at 10 per cent., although they may be cut from plates and sheets coming under Items 147 and 148.

6. The amendments, which are not already in force, are intended to come into effect from the seventh day after this Bill becomes law except in regard to the specific rate on sugar, which will have effect from the day three months after this Bill becomes law.

C. A. INNES.

Delhi.

The 2nd February, 1925.

No. T-255, dated 26th February 1925,

From Chamber to Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E., M. L. A., Delhi.

The Committee of this Chember have considered your letter of the 19th instant enclosing the Bill to amend the Indian Tariff Act, 1894, and I am directed to send to you hereby their views on the same.

The Committee are strongly opposed to substituting specific duties for ad valoram duties on grounds reason emphasised by you in your speech on the Bill when it was referred to a Select Committee. The Sugar Merchants' Association whom we consulted on this matter, have also protested against such a change being made. A copy of their views is enclosed herewith.

With regard to cigarettes also, prominent dealers and manufacturers who were consulted are strongly opposed to specific duty being levied in place of ad valorem duty.

With regard to silk mixtures the Committee are opposed to the suggestion of an intermediate rate of import duty viz 20 per cent. being imposed on silk mixtures. Such a levy of a lower duty on silk mixtures is opposed by the Committee on the grounds of protection to our indigenous industry which will be affected by the duty on silk goods being reduced to 20% in case of silk mixtures.

The Committee hope that you will be able to get the Legislative Assembly accept all their suggestion.

APPENDIX 41.

SUGGESTION OF INCREASED IMPORT DUTY ON MATCH MAKING TIMBER.

No. 935 dated 31st January 1925.

From the Swadeshi Match Manufacturing Co. Ltd; to Chamber.

We had an occasion to bring to the notice of your Committee about the difficulties in securing supplies of match timber from Government forests, and your Committee kindly taking up that matter on our behalf by addressing a letter to the Minister of Forests & Excise, Bombay, under the date of 4th December 1924, but we regret till the time of writing this letter, we have not as yet heard of any proposals from the Government for selling the match timber to us beyond asking us to name of the species of wood required by us. The locomotion of the Government is really too slow for commercial purposes. Whilst it is so very difficult for securing match timber from Indian forests, we understand, from rumours that the Indian Government intends to levy a higher duty on match timber than that levied at present which is 15% ad valorem. Under the present circumstances, we find it very difficult to obtain sufficient supplies of match timber from Indian forests. We are entirely dependent on our supplies of timber from Syberia and Japan. We therefore beg to submit to the consideration of your Committee to take action with regard to the proposed or rumoured enhancement of import duty on match timber from the next fiscal year. The step of enhancement of duty, if carried out as rumoured, will kill the indigenous match industry in its very infancy. We are therefore of opinion that pending better arrangements for the supply of match timber locally, that duty on foreign timber if not decreased, from that which is at the present levied may at least allowed to remain at the same figure as in the current year.

Thanking you in anticipation for your Committee kindly doing the needful in this matter.

From the Gujarat Islam Match Manufacturing Co. Ltd. to the Chamber.

Ahmedabad 23rd February 1925.

We thank you for your invitation to attend the meeting of the Import-Export Sub-Committee of your Chamber in order to enable us to place our views regarding the import of foreign wood for the manufacture of matches. We beg to explain below why we consider the import of foreign wood inimical to the best interests of the country.

It is an undisputed fact that India is rich in forests where several kinds of trees including those suitable for match manufacture abound. When there are raw materials practically at our doors, we fail to understand why they should be allowed to be imported from foreign countries. This practice cannot but be disadvantageous to the indigenous Indian industry as would be evident from our following observations.

Indian match wood has a natural growth in the forests and no special attention is given by the forest authorities to either its growth or maintenance. The Indian match wood is therefore not so good as the foreign match wood in point of quality suitable for match making. This means that greater quantity of native wood is used to produce the same quantity of matches than foreign wood. If the foreign match wood is allowed freely to be imported into India, the native match wood will be neglected and no attention will be given by the forest authorities to improve its quality by making special plantation and paying proper attention to its growth. Again, to bring native wood from forests to the nearest station, there must be convenient roads in the forests. If the wood is however not used, neither government nor native states would spend a farthing to improve roads for carts and give other facilities for transport. The charges for bringing match wood from the forests to the stations are

very heavy. The amount of railway freight for bringing match wood from station to the factory is also no insignificant expense. These difficulties are not to be met with in the case of consumers of foreign wood which is cut, removed and transported by using the latest appliances. The steamer freight is very low and the price at which the consumers get their wood is not very high. This wood is therefore adversely affecting the indigenous industry.

By using the Indian wood, the government of the country gets revenue for match trees which are considered to be an inferior species not useful even for fuel. The government formerly spent money in cutting and throwing these trees from the forests for which it now not only saves the money spent on the removal of these trees but it gets and will get a very good revenue from the sale of these trees.

We would also like to remark that in the case of matches made from Indian wood, there is a considerable diffusion of wealth than is case with factories using foreign wood. The match factories consuming Indian wood are a source of giving employment to several labourers in the forests as well as to clerical staff required for supervision. They also give royalty to the government and pay railway freight for bringing wood to the factory. In their case, the public, the railway and the government all get their share in proportion to the growth and prosperity of the industry.

If the foreign wood is not taxed, the foreign industry being assisted by its government and having at its back vast experience of the line for several years during which large profits have been accumulated, it can easily import wood at a very cheap rate in competition with the native wood and ruin the industry. If the foreign wood is allowed to be imported, the factories using Indian wood gets no protection as the consumers of foreign wood have to pay only 15% duty ad valorem and can thus easily compete with factories using indigenous materials. Owing to the colour of the imported wood being white, people may be induced to go in for matches manufactured from them. It is also not improbable that the importers of foreign wood having large capital at their back may form a combination and reduce

their prices in order to wipe away the industry using Indian wood struggling hard to get a firm footing. We assure you that once the indigenous industry is ruined, it would be a herculean task to revive it. The native match industry when once dead and ruined, the prices of matches made from foreign wood would be raised up much to the disadvantage of the country. When matches made from foreign wood get a firm hold on the market, government will not get revenue from these manufacturers who import wood simply with a view to evade the present duty of Rs. 1-8 per gross. The duty in that case will be of no use as it would no longer protect the indigenous industry.

In conclusion, we beg to say that the match industry in India is yet in its infancy and like an infant, it requires the paternal guidance care, and supervision from every Indian having the interests of the country at heart. There is every chance of the industry stumbling down like an infant unless it is fostered and properly looked after by its well wishers. The import of foreign logs of wood for the manufacture of matches is harmful to the progress of the indigenous industry and affects also the public revenue. It must therefore be subjected to a very high taxation in order that the Indian industry using Indian wood may be assured of its existence of which it has given a good account till now.

Ahmedabad dated 16th February 1924.

From the Gujarat Islam Match Mfg. Co. Ltd. to Sir Purshotamdas Thakurdas Kt. M. L. A. Delhi.

We beg to lay before you the following few lines for your kind and sympathetic consideration.

As you are aware, the match factories of India and Burma have been striving hard for many years past to hold their own in the Indian market against their better situated competitors from Japan and Sweden. The latter countries practically enjoy a

monopoly of the match trade in India with the aid of bounties, freight facilities at very low rates and other concessions received from their Governments. In spite of these concessions, prohibitive customs duty as you may be aware is being levied on the import of matches in Japan and Sweden from abroad. The Indian match manufacturer can therefore fairly claim protection against such competitors and we venture to observe that the action of the Government of India in imposing the present rate of duty viz. Rs. 1-8-0 per gross was not only just and fair but none too early. From this, you will see that a new industry cannot be successful against well established foreign industry unles it is adequately assisted by the Indian Government by levying essential and heavy import duty.

It is an undisputed fact that matches are an indispensable necessity of life both to the rich and the poor alike. If India is therefore to progress towards satisfying her own requirements or in other words if India is to be self-contained, the Match industry is of a good deal of economic importance to her. It would be admitted that during the great European war of 1914, the price of matches would have advanced beyond limit but for Japan. Supposing Japan takes up arms against Great Britain at a future date, how is India to satisfy her own requirements? Critics may here say that she may turn her eyes towards Sweden and Austria. But, if these countries are unfortunately dragged in any European war zone, we cannot imagine how pitiable the condition of India would be. Bearing all these facts in mind, we are of opinion that this industry is of immense importance to the national security of India.

It would further be not out of place to mention here that the price of matches does not increase to the same extent as the rise in duty. As the duty is enhanced, a major portion of it instead of falling on the shoulders of the consumer is borne by the foreign manufacturers. In other words, the foreign manufacturers who have been earning fat profits have to curtail their prices when the import duty is raised. We are fully convinced that even if the present rate of duty is increased, there would be a good increase, in revenue without materially affecting the pockets of the consumers. In support

of the above statement, we may say that when there was no duty, the price of Japanese matches was from Rs. 2-8-0 to Rs. 2-10-0 and that of Swedish matches was Rs. 3-0-0. When the duty of Rs. 1-8 0 was however levied on foreign matches the prices of Japanese and and Swedish matches have been reduced to Rs. 2-2-0 and Rs. 2-6-0 respectively. Thus, it will be quite evident that the Indian Government gets the above rate of duty from the fat profits earned by foreign countries without in any way affecting the pockets of the consumers. The consumer on the contrary gets his supplies at a cheaper price than what he used to pay during war time.

Why we are so much in favour of protection is due to the excellent results derived therefrom by several foreign nations and especially Japan. Then match industry was there first of all started in 1877. It was however not successful till 1886 as the foreigners undersold their matches in comparison with those of Japan. The Japan Government therefore realised the danger with which the industry was threatened and came to its aid by levying import duties on foreign matches. In spite of these, the Japanese match manufacturers found it difficult to compete successfully with their foreign rivals in the field. Thereupon, they approached their Government and suggested to double the import duty which was actually done by the Japanese Government. The result was then what was expected. New match factories were immediately floated due to protection afforded by the Japanese Government with the result that not only Japan satisfied her own national requirements by driving away foreign matches but before long secured a substantial export trade as well. If the Indian Government has a mind to develop this important industry which represents one of the necessities of life both equally to the rich and the poor, it must grant protection so that the industry can well stabilise itself so as to compete successfully against foreign competition. If such a long desired step is taken, a time will surely come when India will not only be able to satisfy her own requirements but will secure an export trade in the neighbouring countries. There are a good many trees in different Indian forests from which good matches can be manufactured. This fact may be verified by a reference to the Indian Forest

Vol. II by Mr. R. S. Troup, Imperial Forest Economist to the Government of India.

If you will refer to consular reports on matches of foreign countries, you will see that France, Germany and such other countries do not permit a single box to be imported in their respective countries with the result that only home made matches are used there. If the match industry is hence suitably protected, there will be a network of match factories in different parts of India and thus the continuous drain of some crores of rupees every year to foreign countries such as Japan and Sweden will be checked and while several thousand labourers will get a fair maintenance, the Indian forest authorities will at the same time get increased revenue from the trees which are considered of any little value at present by the government. The Government once had to spend money in cutting and removing these so called inferior and useless tree which are now turned into valuable species by the match industry.

The match industry fulfills all the conditions laid down by the late Fiscal Commission for the grant of protection and we trust the present specific duty on foreign matches will be continued by the Government of India at least at its present level so as to permit the Indian manufacturer to extend his operations and increase his output which does not meet even a fraction of the requirements of India.

It appears that the specific import duty on foreign matches has brought in over a crore of rupees during the last nine months to the Imperial Exchequer and the present condition of India's finance does not permit the sacrifice of any portion of such a legitimate source of revenue.

We would now briefly like to recapitulate the advantages by encouraging the growth of Indian match industry. They are as under :—

1. Increasd revenue to forest authorities.

2. India's dependence on foreign countries for satisfying one of her indispensable necessities of life will be removed.

3. Maintenance of a good number of labourers in different spheres of work such as cutting operations in forest, loading carts and of wagons, unloading wagons and loading carts at destination and lastly at factory in all the departments from peeling to packing.

4. The government gets its revenue without burdening the pockets of consumers by levying protective duty while people get supplies at cheap rates.

5. Contributing to the income of the Indian railways in three different ways viz: (1) while bringing wood from forests to the factory (2) while bringing chemicals and stores from Bomboy to the factory and thirdly at the time of railing ready made matches to different parts of India.

6. If the Indian match industry thrives, the government would get income tax as well as super tax.

We would like to bring to your notice the shrewd manner in which the present rate of duty is being evaded by certain firms and individuals by importing ready made inside and outside boxes with labels on as well as splints separately both from Sweden and Japan. These splints and boxes which are only taxed at 15 p.c. ad valorem are obtained at necessarily low prices as the steamer freight on this class of goods is comparatively lower than that charged on matches. It is so profitable and easy to turn foreign splints and boxes into ready made matches that they can be sold in the market at a profit and without any difficulty. The only reason why people purchase these matches readily is due to the splints and boxes being white in appearance. The foreign exporters have adopted this course simply with a view to keep a firm hold on the Indian market. There are Swedish and Japanese firms intending to float big match factories in India importing ready made splints and boxes from their respective countries. It would interest you to hear that a representative of a group of Swedish match factories had been to our factory and informed us that his countrymen would

not mind spending crores of rupees in order to capture fully the Indian market for the sale of their matches. It does not require any considerable capital to start such factories as they require no machinery and steam power. They have only to apply composition to the splints and this is done by hand. The process of filling the boxes is also done by hand. Such types of factories have been floated in Cambay, Santa Cruz, Ghatkopar, Kurla and other places in the Bombay Presidency and India. You will note that these factories use all foreign materials viz: splints outside and inside boxes, stores and chemicals, labels etc. They only maintain labour for filling up splints with chemical tips in boxes. The case of match factories using Indian wood is quite different. It consumes Indian match trees hitherto considered useless forest produce, maintains a large number of labourers in the forest, supports a good number of cartmen for bringing wood at the station and also gives maintenance to coolies employed at the despatching station. In the factory, a large number of labourers are maintained in different processes such as Peeling, Pasting, Frame Filling, laboratory, applying composition, filling, engineering, packing and others. We would humbly point out to you that the factories using foreign splints and boxes easily increase their output which varies from 2500 to 3000 gross per day. If this import of foreign splints and boxes is not immediately checked, the indigenous match industry would be ruined and Government would lose its income in the shape of import duty as there will be a network of such factories in India. The loss is already felt by Government which has to suffer to the extent of Rs. 1-8-0 per gross of matches manufactured from foreign splints and boxes. To justify the above observation, we attach herewith a statement showing imports of matches for the first five months both of 1922 and 1923. There was a decline of about 11 lacs gross of boxes of foreign matches during the first five months in 1923 which in other words means that Government lost no less than 16½ lacs of rupees as revenue. This decline is due in our opinion entirely to the import of foreign splints and boxes. Is this loss too light to merit the immediate attention of the Government ?

In conclusion, we therefore earnestly solicit your wholehearted support to our two main demands viz. (1) The present rate of import duty be maintained at least at the present level if not increased and secondly the import of foreign splints and boxes must be put in the same category as ready made matches and duty levied thereon accordingly.

Statement Showing the Quantities and value of Matches Imported into Bombay from foreign countries during five months : January to May 1922 & 1923.

Month.	1922				1923.			
	Safety.		Other Sorts.		Safety		Other Sorts.	
	Gross of boxes.	Rs.	Gross of boxes.	Rs.	Gross of boxes.	Rs.	Gross of boxes.	Rs.
January	898721	1333700	201025	333504	396040	491510	212175	305855
February	408600	441654	62825	96213	409700	552847	229553	322121
March	692851	1141274	274200	274170	201261	315209	57696	99977
April	307150	566567	258150	354378	208009	273022	214501	291807
May	301650	429952	96450	123497	287778	405823	166100	216988
Total ...	2608972	3913147	792650	1181762	1502788	2038411	880025	1236748

The total quantity of Matches imported into India in 1922.....11,775,120 Gross.

The Price we paid for it—Rs. 3,52,37,012.

Match factories started in India as home industry within last two years equipped with Indian Machinery—Using Indian wood and employing Indian poor labourers.

Province.	No. of Factories.	Approximate Capital Invested.	No. of labourers employed.	Average daily outturn in Gross.	Average Selling Price per Gross.
		Rs. a. p.			Rs. a. p.
Bengal & Assam	76	76,000	1,140	1,140	1 12 0
Bihar & Orissa	30	30,000	600	300	1 12 0
Madras including Southern India	90	1,80,000	1,800	1,800	1 14 0
C. P.	24	48,000	480	480	1 14 0
U. P.	30	60,000	600	600	2 0 0
Bombay	24	48,000	480	480	1 12 0
Burma	2	10,000	50	40	2 0 0
Total ...	276	4,52,000	5,150	4,840	

Firms importing unfinished Sticks and Box Veneers from abroad and turning those to finished matches here in India to avoid the Government Duty at Rs. 1-8 per Gross on imported Matches.

No. of Firms.	Average daily out turn.	Average selling price.
12	6,000 Gross.	Rs. 2-6 per Gross.

The Indian Factories will be destroyed and the Government will be deprived of the revenue accruing from duty on imported Matches unless this practice of importing unfinished Sticks and Boxes is stopped by heavy Duty on those articles.

The Hon'ble Finance member proposed in the Finance Bill of 1924-25 the following duty to be levied on imported Sticks and Box Veneers.

Sticks—0-4-6 lb.

Veneers—0-6-0 lb.

Which is generally required for one gross of finished Matches.

It will be evident from the following statements that this proposed duty is quite insufficient to stop this practice of importing sticks and Box veneers.

Present market price of imported Matches [full size] Rs. 2-8 per gross.

Present Government duty on imported Matches ... Rs. 1-8 „

Present cost of production. Profit of manufacturers. Freight. Middle man's share.				Re. 1	0 0
Cost of labour ...	...	0	4	0	In foreign country, per gross.
Cost of splints and Veneers	...	0	4	0	
Cost of Chemicals ...	...	0	3	0	
Freight and Profit ...	...	0	5	0	
	Re.	1	0	0	

Cost of Splints and Box Vanners	0	4	0	If manufactured in India with imported Sticks and Boxes.
Freight for same	0	1	6	
Cost of Chemicals	0	3	0	
Government proposed duty ...	0	10	6	
Cost of labour	0	4	0	
Rs	1	7	0	Per Gross.

The cost of production in India with imported sticks and Boxes will not exceed Rs. 1-8-0 per gross whereas imported Matches are taxed at Rs. 1 8-0 per gross.

So the proposed duty on imported Sticks and Veneers should be doubled for the sake of Indian Home Industries.

Dated 5th June 1924,

From Manufacturers Safety matches of India to Government of India, Commerce Department.

We the undersigned Match Manufacturers of Safety matches from different parts of India beg to lay before you the following representation for your favourable consideration :—

The Match Industry in India has a very brief history. It was practically unknown in the last century and it is still in its infancy. About 28 years ago, India made a definite attempt to manufacture her own matches, one of the first factories to be erected on modern lines being that of the 'Gujrat Islam Match Manufacturing Co. Ltd. at Ahmedabad. Active progress has been confined to the last ten years during which period the question of the industrialisation of India has assumed great importance. It is, however, still in an infant stage. Nevertheless it has shown a marked tendency to expand itself even under the imperfect protection existing at present. The total output of Indian manufacture before 1921 was about 1,500

gross per day. Now it has gone up to about 5,000 gross per day, and by next year it is expected to reach the figure of 10,000 gross per day. This amply shows that the industry has great possibilities of development with the raw material available in the country if it receives the necessary protection. Mr. Troup in his Indian Forest Memoirs Vol. II part I, published in 1910 says :—

"A few factories are now at work; some of them are doing well. Among these may be mentioned (1) the Gujrat Islam Match Manufacturing Company, Limited, Ahmedabad, (2) the Bombay Match Manufacturing Company, Limited, Bombay, (3) the Amrit Match Factory, Kotah, Bilaspur, Central Provinces, (4) the Berar Match Manufacturing Company, Limited, Ellichpur, Berar, (5) the Ranbir Match Manufacturing Company, Limited, Jammu (6) the Oriental Match Manufacturing Company, Limited Calcutta, (7) the Bande Matram Match Factory, Calcutta a well equipped factory which has just started, and (8) the Belgaum Match Manufacturing Company, Limited, Belgaum, which employs Japanese machinery."

However we regret to say that some of these have since closed down, due to difficulties under which the industry has been labouring. The condition of this industry in the years 1914-1920 became very critical. It was only after granting of the first instalment of protection in 1921 that the industry again began to show life. Since then about half a dozen new factories have come into existence and some are in the process of construction. These factories are equipped with modern European machinery. Besides these there are about 100 match factories working with hand-power and Indian made machiney. All the above factories are working under Indian management and with Indian capital, labour and wood. The economic reasons for the backwardness of the industry may be summarised as follows :—

1. The cheapness of imported matches.

2. Heavy cost of extraction of the wood and its carriage to places suitable for factory building.

3. Heavy railway freight in connection with imports of chemicals and distribution of the manufactured products.

So far the Match Industry has been a monopoly of foreigners. Sweden was the chief exploiter of the Indian market till 1913. During the Great War, however, Japanese matches flooded the Indian market, and now Japan holds the field as Sweden's foremost rival. Thus the match trade of India is practically in the hands of Sweden and Japan today. Given a fair chance, India can, not only produce enough matches for her own requirements, she can be expected in the course of time to produce a large export surplus. All the provinces possess a fairly large quantity of wood which though inferior for building purposes could be suitably used for match manufacture. The utilisation of otherwise inferior woods in India will open out a large source of revenue to the Government, and thus lead to increase the "National Dividend" of the country. It will offer a large field of employment for the Indian labour the supply of which is increasing enormously.

Our case for stimulating the match trade in India is a very strong one. Its advantages may be put in a summary form as follows :—

(1) Increased revenue to the State.

(2) Removal of dependence on Foreign countries, especially in the event of a war.

(3) Stoppage of exploitation by the foreigner.

(4) It will open out a large field of employment for labour.

(5) India will be a progressing country.

We now come to the methods required for stimulating this trade. To this we have not to look far. Japan started her match industry about 1877. Her weapon of stimulating industry was the raising of a protective tariff. In about ten years time she doubled the import duty on matches. The same is true of other countries with regard to infant industries

For the reasons mentioned above we submit that the match-trade of India is well worth helping, and we therefore advocate the adoption of an *effective tariff* policy. The Government has shown a slight tendency towards protection. An import duty of 12 annas per gross was levied in 1921. In 1922 it was raised to Rs. 1-8-0 per gross. In March 1924 an import duty on splints and veneers was levied at the rate of 4½ annas and 0-6-0 per lb. respectively. All these measures are good as far as they go, but the primary object of these measures which the Government of India had in view was the balancing of the budget and the introduction of protection was only an incidental result, and as such they could not be supposed to work in the best interest of protections. But so far as it went, it was successful. The enhancement of duty has proved conclusively that the major portion of it instead of falling on the consumer is borne by the foreign profiteers.

Our first method therefore of stimulating the industry is an effective tariff wall. It is an infant industry, it should be protected in its infacy. We hope and pray that our Government would adopt a clear cut line of action and not half-hearted measures whose primary object is other than protection. A tariff wall in order to be effective should not only be sufficiently high, but it should also be a proof against evasion. When the duty of Rs. 1-8-0 was imposed on manufactured matches the foreign manufacturers took advantage of the tariff wall by importing splints and timber on which there was a nominal duty of 15 per cent. *ad valorem*.

The Swedish and Japanese combines have taken advantage of this fact and have constructed nearly half a dozen match factories for manufacture of matches by trying to evade this specific taxation. The present system of taxation of imports is unsound for want of certainty, A tax open to evasion is unsound economically. It is always ineffective, for while finished matches, splints, and veneers have been made subject to specific import duty, logs of wood from foreign countries imported for manufacture of matches are still immune from similar duty, with the result that the intention of this specific taxation and the consequent implied protection are being effectively stultified. We therefore request that the Government should make the tax fully effective on such imports at all sea ports of

India, whether lying in British territory or in the territories of the Indian States, in the interests of the indigenous Match Industry. We might here add that while it is important to have an effective import duty on foreign wood, it is equally important to have no import duty on the other materials *e. g.* chemicals, paper etc. utilised in the manufacture of matches, which are at present not available in India. The point in question is the contemplated increased import duty on paper in general. By enhancement of duty on match paper the Government will not encourage Indian Paper Industry unless the paper mills in India undertake to manufacture this class of paper. Hence Tariff Board may be approached that while making suggestions for the protection of Paper Industry in India they should exempt this class of paper from any enhanced duty until Indian Paper Enterprise takes up manufacturing this class of paper.

The next method of stimulating this trade is by means of concessions in the form of subsidies, bounties, Railway rebates, etc. The Match Industry fulfils all the conditions laid down by the last fiscal commission for the grant of protection, Page 54, Para. 97, Fiscal Commission Report.

" In dealing with all claims to protection the Tariff Board should in the first instance satisfy itself that the following three conditions are fulfilled:—

(1) The industry must be one possessing natural advantages, such as an abundant supply of raw material, cheap power, a sufficient supply of labour, or a large home market. Such advantages will be of different relative importance in different industries, but they should all be weighed and their relative importance assessed. The successful industeies of the world possess certain comparative advantage to which they owe their success. No industry which does not possess some comparative advantages will be able to compete with them on equal terms, and therefore the natural advantages possessed by an Indian industry should be analysed carefully, in order to ensure as far as possible that no industry is protected which will become a permanent burden on the community.

(2) The industry must be one which without the help of protection either is not likely to develop at all or is not likely to develop so rapidly as is desirable in the interests of the country. This is an obvious corollary from the principles which have led us to recommend protection. The main object of protection is either to develop industries which otherwise would not be developed or to develop them with greater rapidity.

(3) The industry must be one which will eventually be able to face world competition without protection. In forming an estimate of the probabilities of this condition being fulfilled the natural advantages referred to in condition (1) will of course be considered carefully. The importance of this condition is obvious. The protection we contemplate is a temporary protection to be given to industries which will eventually be able to stand alone."

We urge that the concessions be granted to Indian companies, and not to foreign companies who have neither a Rupee capital nor a proportion of Indian Directors on boards nor give facilities to Indian apprentices to be trained in their works. This is nothing new what we ask for. It is only what has been granted to us on paper.

The Government has laid it down as its defined policy under free trade condition page 200 minute of dissent, Fiscal Commission

"The settled policy of the Government of India is that no concession should be given to any firms in regard to industries in India unless such firm have rupee capital, unless such firm have a proportion, at any rate, of Indian Directors, and unless such firms allow facilities for Indian apprentices to be trained in their works."

The Government has in our opinion acted in a way prejudicial to the interests of Indian manufactures by allowing the Swedish and Japanese combines to set up factories in Bombay and other places. The setting up of a factory behind a tariff wall is a concession by itself as has been emphatically pointed out by the Dissenting Members of the Fiscal Commission. It is hoped that the Government will soon set right this wrong. It is productive

of economic loss and is tantamount to depriving the country from an indefinite future from the possibility of developing an industry which should be its own and for which its material resources eminently befit it—a matter which may legitimately form a source of serious discontent.

It has often been said that India needs a large supply of foreign capital, business ability and skill, and it appears that Government supports this view. The answer is that the Indian investor is not at all shy if his interests are adequately safeguarded, as has been made quite clear by the dissenting members—Fiscal Commission Report page 202:—

"We regret that our colleagues should have thought fit to depreciate the capacity of Indians in the matter of Industrial enterprise. The history of such Industrial development as has been possible under free trade conditions shows that Indians have freely imported technical skill from abroad pending the training of Indian apprentices, and have conclusively shown their capacity to organise and develop large scale industries. The lack of capital to which repeated references have been made is due more to the risks involved in establishing new industries under free trade principles than to actual inadequacy of capital. This was in our opinion clearly proved by the Industrial activities which resulted from the indirect protection afforded by war conditions. The enormous amounts which the Government of India have been able to borrow in India for State purposes is another proof that adequate capital is available in India for investment in sound and safe channels ensuring a reasonable return. A policy of protection will give the necessary confidence and we hold the view that reasonably adequate capital will be avaible under such a policy. In support of this view we may quote from the evidence of Mr. Shakespear of Cawnpore who stated that once confidence was created, by adopting a policy of protection the difficulty in obtaining capital would largely disappear. It is because we desire that industrialisation should proceed very rapidly that we are prepared to accept the advent of foreign Capital to accelerate the pace."

In conclusion we submit the following suggestions for your favourable consideration:—

(1) Effective protective duty to be imposed on foreign timber imported in India in any form for the manufacture of matches.

(2) No concessions to be given to the foreign companies in the line of forest leases, factory sites etc, in India.

(3) Subject of protective duty for Match Industry to be entrusted to the Tariff Board for investigation,

(4) Provincial Governments be advised to encourage Indian enterprisers by giving them all facilities in procuring regular supply of wood for the match Industry.

(5) Preservation and propogation of suitable match wood species for the purpose of Match Factories.

(6) The character of the companies should be entirely Indian.

(7) The indigenous manufacturers should be allowed a sufficiently long period to experiment and develop themselves.

(8) Foreign capital and skill should come in only to supplement the Indian when needed.

(9) Whenever a foreign company is allowed to establish itself in this country, it must fulfil the three basic conditions as already stated above.

(10) The Government should give adequate support in the form of subsidies, bounties, rebates and special facilities for obtaining timber suitable for match manufacture from Government Forests.

(11) Where Forests form part of the transferred subject the Provincial Government should be instructed to observe the above mentioned stipulations in the interests of the indigenous industry.

Supplement to the Representation dated the 5th June, 1924, Submitted to the Honb'ble the Member for Commerce, Government of India, Simla, by Representatives of Match Industry in India.

Some of the measures for which a request is made are in absolute conformity with the declared policy of the Government and do not give rise to any argument of controversy. These are :—

(1) Preservation and propagation of suitable wood species.

(2) Facilities to be given for extraction from Indian forests.

(3) Standardisation of the terms on which forest leases could be given for industrial purposes.

In this connection it is a hardship at present that the Forest Department should try to dispose of wood by open tender and to realise maximum prices on a commercial basis even during the infant stage of the industry.

The reasons for giving the subject of Match industry to the Tariff Board for enquiry are perhaps not of the same character as those which induces the Government to entrust them with the enquiry into some of the other industries. It is believed that India can be absolutely self sufficient in the matter of match and can develop even a certain amount of export trade. It is also certain that more capital can be attracted into the industry. The process of growth of Indian enterprise into this direction is evident during the last few years. The Tariff Board would therefore investigate into the nature of some of the difficulties at present experienced with a view to bring about an atmosphere of confidence. It would be for them to suggest what should be done for those difficulties to be remided by the Government and the Forest Department on the one hand and the local manufacturer on the other. The main object of their enquiry would, however, be to see that the benefit of Tariff is not available by foreign manufacturers to the disadvantage of Indian enterprise. It is possible that manufacturers of those countries who controlled the Indian Market in the past should have greater and more fluid resources and through their ex-

perience require smaller period of preliminary investigation. They can therefore lay down their plants much quicker than it would be possible for Indian enterprise even assuming that they work in small industrial units. As a matter of fact, however, when they attempt to put down a single organization with multiple factories in close business and financial association with larger works in their own country with a view to use their accumulated reserve to squeeze out of existence indigenous enterprise, the need for protection against this danger becomes imminent and the case for enquiry with a view to formulate the requisite safeguards against this contingency becomes imperative. It is not for us to indicate what these safeguards should be but we venture to suggest some of them on lines involved in the discussion of the subject by the Indian Fiscal Commission. They are:—

(*a*) Every Company registered in India for match manufacture should have its capital expressed in rupees. No company not so registered in India should have a license to manufacture.

(*b*) Facilities should be given to Indian investor to take shares of every description in such enterprise and the invitation to subscribers should be open and without restriction.

(*c*) Certain number of directors should be Indians.

(*d*) Facilities for the training of Indian apprentices should be given.

(*e*) No concession for forcest exploitation by way of leases or purchase by tender or any other form whatsoever should be given to a non-Individual firm or company unless the factory where the material is to be used is already in existence and unless the same concession has been offered by public notification to Indian industrialists and has not been availed of by them.

(*f*) Having regard to the Indian market discretion should be used by Government in favour of Indian enterprise and they should have power to refuse license for the erection of

non-Indian factory at places where Indian enterprise is already working.

(g) When it could be demonstrated that sales are being effected by a foreign corporation at a price, which is below reasonable cost of production in India and whether in this or in any other manner existence of cut throat competition is brought to the notice of the Government, power should be taken to intervene.

We are making these suggestions (which by no means exhaust the safeguards which may be found necessary when the actual difficulties arise in on acute form) in order that, should Government come to the conclusion that it is not expedient to prevent the location of foreign controlled establishments in this country altogether, they may in their wisdom devise a scheme of parallel development without prejudicing Indian industry.

In case the Government desire to encourage foreign corporations to the prejudice of the revenue which they at present derive from imported matches, it may become necessary for them to consider seriously the question of production bounties or subsidies to some of the enterprises already in existence to enable them to pass through the earlier stage of their existence when their costs most in ordinary course of affairs be on the heavy side.

In another direction the need of protection for Indian match industry arises through no fault of their own. The quality of Indian timber so far brought into industrial use for manufacturing matches has proved quite suitable for the purpose but very much inferior in appearance and other respects to the imported article. At the same price there would be no inducement to the buyers for taking matches manufactured from the Indian wood and those importing foreign wood have an initial advantage which must militate against further development of forest resources while penalizing concerns already located inland and relieving for their wood of Indian timber. The method which strikes us best to counteract this difficulty is the levying of corresponding heavy duties on imported wood. This would

have the advantage of being in keeping with the policy adopted by Government so far, when they imposed a duty on splints and veneers. Government may also discover that in some cases imported logs are available to factories at prices lower than that at which Indian timber can be laid down at their door because, if it were not so, we can not understand how there could be any import of logs of foreign origin at the ports.

The main cause for our apprehension which has led to this representation has been the advent of the Western India Match Company which we are informed is an associated Company of the well known mammoth Swedish Company. Instead of coming here direct they have come *via* London, where they have had their capital of about three crores taken up. Since a Company of this magnitude can produce matches enough to supply the need of the whole country, it is legitimate to entertain fears that they would attempt to create a monopoly after subjecting the existing smaller Indian enterprises to a deadly competition. In this attempt, should they be assisted by political influence from the City of London, the Indian Match manufacturer can only look for protection to the Government of India and the Indian legislature and it is their earnest hope that the situation will be watched by Government and steps be taken to avoid, what might otherwise be an undiluted catastrophe, both for the revenue of the country and for the industry of India.

Dated 4th March 1925.

The Report of the Import-Export Sub-Committee of the Chamber.

A meeting of the Import-Export Sub-Committee was held on Tuesday the 24th February 1925 at 3 P.M. when the following members were present :—

Mr. S. R. Bomanji (Vice President).

" Mathuradas Vissanji Khimji,

" M. M. Amersey, and

" Vithaldas D. Govindji.

Messrs. Hooseinbhoy A. Lalji, Mr. J. P. Maniar (Secretary, Gujarat Islam Match Mfg. Co. Ltd.), and F.M. Moosabhoy (Agent, the Swadeshi Match Mfg. Co., Ltd) were also present by special invitation.

Consideration was given to the question of import duty on foreign match-making timber. Mr. Maniar contended that indigenous wood suitable for manufacturing matches was available in sufficient quantities but as it was costlier than foreign imported timber, a higher rate of import duty than the present 15% on imported timber was desirable.

Mr. Husseinbhoy's contention was that indigenous wood suitable for making matches was not avaiable in spite of the best efforts on the part of the match factories for securing such wood. If therefore the rate of duty on imported timber were increased, many factories, which were using imported timber would have to close down, thereby affecting a large number of workmen, who were at present employed in such factories and thus retarding the progress of the match industry in India. He was therefore of opinion that the present rate of import duty i. e. 15% on foreign timber should be continued atleast until suitable indigenous wood was available in a sufficient quantity.

Mr. Moosabhoy supported Mr. Hosseinbhoy.

The Sub-Committee after carefully considering the two conflicting views and after fully hearing both the contending parties came to the conclusion that no increase in duty on imported match-making timber was desirable under the present circumstances as such an increase would seriously affect the factories using imported wood.

APPENDIX 42.

STAMP DUTY ON PROXIES FOR USE AT CREDITORS' MEETINGS.

No. 3567-E-24, dated 3rd April 1925.

From the Government of Bombay Revenue Department to Chamber.

I am directed by the Governor in Council to forward copies of a letter from the Government of India, Finance Department, (Central Revenues) No. 22/-1-Stamps /25 dated 17th March 1925 and of its accompaniments, on the subject noted above, and to request that the views of your Chamber thereon may be communicated to this Government at an early date.

No. 22/-1 Stamps /25. 17th March 1925.

From the Government of India Finance Department to All local Governments (except Bengal.)

I am directed to forward a copy of a letter from the Government of Bengal, No. 122 S. R., dated the 22nd January 1925, on the above subject, together with copies of the relevant portions of the letters referred to therein and to request that with the permission of His Excellency the Governor in Council, the Government of India may be furnished with the views of the local Government on the proposal made by the Bengal Chamber of Commerce. I am to add that the Government of India would be glad if the opinion of the Commercial public is obtained on the proposal. It may be ascertained what the precise practice in the matter is and also whether the difficulties complained of by the Bengal Chamber of Commerce have been experienced in Bombay.

Copy of a letter No. 122-S.R., dated Calcutta, the 22nd January 1925, from the Government of Bengal, Finance Department, Separate Revenue Branch, to the Secretary to the Government of India, Finance Department (Central Revenues.)

I am directed to refer to the last paragraph of letter No. 96-Com, dated the 7th January, 1925, issued from the Commerce Department of this Government on the above subject and to say that the Governor in Council supports the proposal contained in paragraph 20 of the letter of the Bengal Chamber of Commerce No. 2459-1924, dated the 19th September 1924, a copy of which was submitted to the Government of India with the Commerce Department letter quoted above.

2. I am to request that if the Government of India have no objection, the law may be so amended as to include the proxies used at meetings of creditors in Article 52 of schedule of the Indian Stamp Act.

Copy of letter from the Secretary to the Government of Bengal, Commerce Department, Calcutta, to the Secretary to the Government of India, Department, of Commerce No. 76-Com., dated the 7th January 1925. Proposed amendment of the Indian Companies Act, 1913.

* * * * *

I am to add that a separate reference to the Government of India will be made on the subject of the amendment of the Indian Stamp Act, recommended in the last paragraph of the Chamber's letter.

Extract from the letter from the Offg. Registrar of Joint Stock Companies, Bengal, to the Secretary to the Government of Bengal Commerce Department, No. 3174, dated the 1st November 1924.

* * * * *

14. The amendment of the Indian Stamp Act suggested in paragraph 20 appears to be quite reasonable.

Extract from the letter from the Secretary, Bengal Chamber of Commerce, to the Secretary to the Government of Department No. 2459-1924, dated the 19th September 1924.

* * * * *

20. Article 52 of Schedule 1 of the Indian Stamp Act, 1899 provides for the stamping of proxies for use at a meeting of the company. But it makes no provision as regards proxies for use at a meeting of creditors. It follows that the latter require to be stamped under article 48 of the Schedule—as a power of attorney to perform a single act. This means that the stamp duty is increased from 2 annas to Rs. 1-8-0. Such a rate in unwarranted, but even apart from that consideration the requirement is objectionable. For it means that a creditor's proxy has to bear in impressed stamp, or to be written on stamped paper. This distrinction is, not of course generally known, with the result that the majority of creditor's proxies are incorrectly stamped, and are accordingly inadmissiable for voting purposes. The Committee suggests that both forms of proxies should be stamped alike, namely, with revenue adhesive, or unified, stamps of the value of 2 annas for each proxy form.

No. T-516, dated 21st April 1925.

From Chamber to the Government of Bombay Revenue Department.

With reference to your letter No. 3567-E. 24, dated 3rd instant, forwarding copies of letter from the Government of India, Finance Department (Central Revenues) No. 22/1—Stamps/ 25, dated 17th March 1925 and of its accompaniments on the subject of Stamp duty on proxy for use at creditors' meeting, I am directed to inform you that my Committee support the proposal of the Bengal Chamber of Commerce for amending the Indian Stampt Act so as to include the proxies used at meetings of creditors in Article 52 of Schedule I of the Indian Stamp Act.

No. 3567-E/ 24, 23rd March 1924.

From the Government of Bombay, Revenue Department to Chamber.

With reference to you letter No, T-516 dated 21st April 1925, I am directed by the Governor in Council, to forward copies of Government Notifications No. 3567-E/-24 dated 15th December 1925 and 19th January 1926 on the subject mentioned above.

Stamps.

C. No. 22-Stamps /25, dated Delhi, the 23th November 1925.

No. 3567-E/ 24, The following notification by the Government of India, Finance Department (Central Revenues), is republished :—

In exercise of the powers conferred by clause (*a*) of section 9 of the Indian Stamp Act, 1899 (II of 1899), the Governor General in Council is pleased to reduce the duty chargeable on proxies empowering persons to vote at meetings of creditors to one anna.

Stamps.

Rs. Dis. No. 22-Stamps 25, dated Delhi, the 12th January 1296.

No. 3567/-E/ 24, (*a*).—The following notification by the Government of India, Finance Department (Central Revenues), is republished :—

In exercise of the powers conferred by clause (*a*) of Section 9 of the Indian Stamp Act, 1899 (II of 1899), and in supersession of the notification of the Government of India in the Finance Department (Central Revenues), C. No. 22-Stamps/ 25, dated the 28th November 1925, the Governor General in Council is pleased to reduce the duty chargeable on a proxy empowering a person to vote at a meeting of creditors to the rate chargeable on a proxy empowering a person to vote at any one meeting of members of an incorporated company.

APPENDIX 43.

PROPOSED AMENDMENT OF SECTION 57 (2) OF THE INDIAN INCOME TAX ACT.

No. F.-122-I.T.-25 Dated 23rd February 1925.

From Government of India Finance Department (Central Revenues) to Chamber.

Section 57 (2) of the Indian Income-tax, XI of 1922, runs as follows:—

> "Where any assessee who is liable to pay super-tax on the amount of the dividends receivable by him from any company is, to the knowledge of the principal officer of the company, residing out of British India the principal officer shall be liable to pay the super-tax due by such non-resident person in respect of the dividends received by him from the company, and shall have power to deduct the amount of such super-tax from the amount payable by the company to such assessee."

2. The intention of this section is plain. It was intended to enable super-tax to be collected by deduction at source from the dividends payable to a non-resident shareholder. It has been found, however, that owing to technical defects in the drafting of the section, the latter, as it stands, is of no practical use whatever. This is partly due to the use of the phrase "any assessee who is liable to pay super-tax". The section contemplates deduction from the dividends at the time of payment, but the "liability" to super-tax does not arise until the following year, since super-tax, like income-tax, is charged on the income of the previous year. Further, and "assessee" is defined in section 2 (2) as "a person by whom income-tax is payable" "Income-tax" in this section includes super-tax [Section 58 (1)], but it seems doubtful whether income-tax or super-tax can be said to be "payable by a person who has not been formally assessed

to income tax or super-tax. Nor is it clear how super-tax can be "due" from a person who has not been assessed to super-tax. Government therefore propose to amend the section so as to make it effective.

3. The question then arises what should be the precise scope of the amended section. The instructions in the Income-tax Manual are that the section, as it stands, should be regarded as authorising the principal officer of the company to deduct super-tax from the dividends due to a non-resident shareholder when the amount of that dividend taken by itself exceeds the sum of Rs. 50,0000 (or in the case of a Hindu Undivided Family, Rs. 75,000). Here again it is doubtful whether this limitation of its scope is implied in the words "liable to pay super-tax on the amount of the dividends". However this may be it has to be decided whether the scope of the amended section should be specifically limited in this manner. It is clear that such a limitation must render the working of the section somewhat capricious and unfair as between different assessees. It would lead, for example, to the following results :—

(1) A man who derives an income of Rs. 55,000 from a single company becomes liable to deduction of super-tax from this dividend at source whereas a man who has, say, an income of Rs. 40,000 from each of 5 companies—2 lakhs in all—is not liable to such deduction.

(2) If a man happens to draw dividends each amounting to Rs. 55,000 from two companies, he suffers super-tax at one anna a rupee on Rs. 10,000 out of this income of Rs. 1,10,000, whereas if he draws a dividend of Rs. 1,10,000 from a single company, super-tax is deducted at the rate of one anna in the rupee on Rs. 50,000 out of this sum and at the rate of 1½ annas in the rupee on Rs. 10,000. The difference between the sums paid in the two cases is very large.

(3) The genral effect is that a non-resident shareholder does not necessarily, like a resident shareholder, pay super-tax at the correct rate or rates calculated with reference to his

total income but at a rate or rates calculated with reference only to a fragment or fragments to his income.

4. In order, as far as possible, to avoid such anomalies and place the non-resident shareholder in the same position in respect of super-tax as any one else, it has been suggested :—

(1) That where the Income-tax Officer is aware that tha total income from all sources of a non-resident shareholder is such as to render him liable to super-tax, he should communicate to the principal officer or officers of the company or companies in which he holds shares, the amount of super-tax that should be deducted from each divdend and the principal officer should then be bound to deduct super-tax accordingly. The Income-tax Officer could only of course estimate the amount with reference to the figures of former years. Any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained.

(2) Where the same person is the principal officer of two or more companies, it should be incumbent on him to deduct super-tax from the dividends due to a person holding shares in two or more such companies at the rate or rates applicable to the aggregate of the dividends in the absence of any communication from the Income-tax Officer as to the amount of super-tax to be deducted.

These suggestions are only tentative and of course require to be worked out in detail. I am directed to request that your Chamber will be so good as to favour the Government of India, at their early convenience, with their views and suggestions in regard to the proposed legislation.

No. T. 512 20th April 1925.

From Chamber to the Government of India Finance Department (Central Revenues).

I am directed to refer to your letter of the 23rd February 1925, No.F-122. I, T.-25. My Committee understand that paragraph 4 sub-sections (1) and (2) are the suggestions made by the Government to avoid anomalies specified in para 3 and place the non-resident shareholders in the same position in respect of super-tax as any one else. While my Committee have no objection to sub-section (1), they cannot think that the carrying out of this suggestion will remove any of the anomalies referred to above. My Committee will be much obliged if, in this connection, Government will supply them with the following information :—

(a) Supposing the principal officer of the company pays the amount of dividend to a non-resident before intimation is received from the Income-tax Officer for reduction of the tax, what will be the position of principal officer; will he be liable in that case?

(b) Is it proposed to make the company an agent of the non-resident in this case? If it is proposed to tax the non-resident no imaginary figures, will the officer of the company be entitled to dispute the assessment, and will the officer of the company be entitled to dispute the asssesment and will it be binding on the non-resident to pay the tax without any objection and if so, what would be the position of the company if the tax is paid without the authority of the non-resident?

(c) Supposing the non-resident has incurred losses in British India which is to the knowledge of the Officer of the company, is he bound to disclose this on behalf of the non-resident and get reduction of the tax?

(d) Is the super-tax proposed to be levied on the dividends which the Company paid during the previous year or

during the year when it has been called upon by the Income-tax Officer to pay the tax on the dividend? My Committee are not in favour of sub-section (2) para 4, as, in their opinion, the labour and additional responsibilty which it would entail on the principal officer of several companies would not be justified by the results. In the case of the principal officer of a large number of companies the collection of the necessary information will require a considerable amount of work and my Committee, therefore, are against any extension of his responsibilities regarding the collection of the Income-tax and super-tax in the way suggested.

APPENDIX 44.

MUNICIPAL TERMINAL TAX AND THE BOMBAY PORT TRUST.

No 1540—Dated 2nd March 1925.

From Bombay Port Trust to Chamber.

I am directed to invite reference to your letter No. T. 704 dated 19th June 1924 in which you intimated that your Committee have reconsidered their original views on the proposed Municipal terminal tax but were awaiting the final report of the Municipal Committee before addressing the Corporation. If your Committee have now addressed the Municipality again on the subject I am to say that the Chairman would be glad if you would favour him with a copy of that communication as the matter is one which vitally affects the interests of the Port Trust and the Chairman is anxious to have the considered views of your Chamber before placing the matter before the Trustees. In this connection I am directed to enclose for the information of your Committee copy of my letter No. 1538 of even date to the Secretary Bombay Chamber of Commerce.

I am to say that the Chairman will welcome an opportunity for discussing the matter with members of your Committee and if they agree to this proposal arrangements will be made for a discussion at an early date.

No. T 314—9th March 1925.

From Chamber to Bombay Port Trust.

I am directed to acknowledge receipt of your letter of the 2nd instant, No. 1540, with its enclosure. My Committee have already approved of the principle of Terminal Tax and feel therefore that no useful purpose will be served by any such conference as is suggested. They have, however, reconsidered their original letter to the Corporation on the subject and sent another letter expressing their views a copy * of which is enclosed herewith.

No. 2747 15th April 1925.

From Bombay Port Trust to Chamber.

In continuation of correspondence ending with your letter No. T. 317 dated 9th March 1925, I am directed by the Chairman to forward for the information of your Committee a copy of the * Proceedings at a meeting of the Trustees' Finance and Marine Committees held on 8th instant.

I am to ask that, in view of the importance of the issues involved, your Committee may be pleased to reconsider the matter before finally assenting to the proposed taxation. The Chairman does not think that the importance of the question in its bearing on the trade and prosperity of Bombay has been fully recognised. I am to invite your attention to the fact that the proposed schedule, if applied in its

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* Orginal will be found in the next appendix.

* Not printed here. Vide file No. 20, 1925.

entirety to the export trade of Bombay, would give the Municipality a return equal to an increase of 35 per cent on the existing Port Trust wharfage charges. It seems doubtful that an increase on such a scale can have been contemplated by your Committee.

Your Committee are no doubt fully aware of the growing inter-port competition and the necessity for conserving trade by keeping port charges down to the lowest possible level. It is with this object that the Bombay Port Trust have just undertaken a retrenchment campaign and are now reducing staff and expenditure to the absolute minimum compatible with efficiency. These efforts must obviously prove abortive if another public body, which does not render direct services or facilities to trade, is at liberty to enhance wharfage charges by as much as 35 per cent, thereby making Bombay definitely more expensive than neighbouring ports with which it is in constant competition. It is obvious that such a short-sighted policy must tend to divert trade; reference is made in the enclosed proceedings to specific instances in which the trade of Bombay has already been diverted to other ports, e. g. exports of cotton and manganese ore.

I am to emphasise the fact that the interests of the mercantile community and of the public bodies concerned are identical with the interests of the Port Trust in this matter. If trade is driven away by injudicious taxation and the Port suffers in consequence, the prosperity of the City must also inevitably suffer. The Port Trust I am to say, is not opposing this taxation from the point of view of its own revenue only, but from the wider point of view of all who are interested in the development of Bombay's trade and the growth of her prosperity.

I am to say that the matter will come before the Trustees for further consideration at their Board Meeting to be held on the 21st instant and I am to request that you will be good enough to ascertain and inform me, if possible before that date, whether in view of the importance of the issues at stake and the arguments now submitted your Committee would be prepared to reconsider their attitude towards the proposed taxation.

In any event I am to say it appears to the Chairman very desirable that the representatives of your Chamber on the Board of Trustees should be free to express their individual opinion on the proposals as Trustees of the Port and I am to ask that the views of your Committee on this point may be intimated to your representatives on this Board.

No. T 509 20th April 1925.

From Chamber to Bombay Port Trust.

I am directed to acknowledge receipt of your letter of the 15th instant, No. 2747, and to state in reply that my Committee have accepted the principle of Terminal Tax and feel that they cannot go back upon it at this stage. My Committee, however, may assure you that they are as much concerned with the growth and development of the Port of Bombay as the Bombay Port Trust and will not like to see the trade of the Port being deflected to any other port. They, will, therefore, if necessary, fight against any measures which are likely to lead to such a diversion of trade from the port of Bombay and see that the Terminal Tax which the Bombay Municipal Corporation proposes to levy in place of the refundable Town Duties does not result in the Municipal Corporation getting in more revenue from this source than what they are doing at present from the Town Duties.

In the last para of your letter under reply your Chairman has suggested that the representatives of the Indian Merchants' Chamber be free to express their individual opinion. I regret my Committee cannot see their way to make any such recommendation to their representatives.

APPENDIX 45.

TERMINAL TAX. (VIDE REPORT FOR THE YEAR 1923 pp 231-237 AND REPORT FOR THE YEAR 1924 p. 269.)

No. T- 102 24th January 1925.

From Chamber to Municipal Corporation, Bombay.

I am directed to remind you of my letter of the 19th June 1924 No. T-701, requesting you to allow my Committee an opportnity of expressing their views on the report of the Commitee regarding the terminal tax when it is ready. My Committee deeply regret to note that they have not been favoured with a copy of this report. In fact they only came to know of the preparation and submission of such a report only through the papers and through their representative a short while back. This report of the Sources of Income Committee of the Corporation regarding proposals for substituting non-refundable Terminal tax for the existing Town Duty is very important and affects the interests of trade and industries to a very large extent. My Committee therefore urge that no action should be taken by the Municipal Corporation before they are allowed an opportunity of considering this report and in the meanwhile they will be much obliged if a copy of this report is sent to them for consideration.

No- 10350 26th January 1926.

From Bombay Municipality to Chamber

With reference to your letter No- T. 102 dated the 24th instant, I have the honour to forward herewith a * copy of the Report of the Committee regarding proposals for substituting non-refundable Terminal Tax for the existing Town Duty. I regret your request for a copy

* Will be found in File No. R. 20, 1925

of the Report made in June last was lost sight of, but I understand that a representative from your office had called here and had taken away a copy. The report was issued to the members of the Corporation on the 31st December 1924 and several daily papers published it immediately after its issue. Hence it is over a fortnight since it is before the public. I shall, however, be glad to place your Committee's views before the Corporation if received in time, along with the views of other bodies which have already been received on the subject.

No. T. 154 6th February 1925.

From Chamber to Bombay Corporation.

I am directed to acknowledge, with thanks, the receipt of your letter of the 26th January 1925 No. 10350 enclosing a copy of the report of the Committee regarding proposals for substituting a non-refundable Terminal Tax for the existing Town Duties. My Committee have considered this report and are in agreement with the principles laid down by the Government of India referred to in the letter from the Municipal Commissioner No. T. D. 230-A, dated the 15th October 1924 that any terminal tax which is not refundable must be very light. They therefore beg to suggest that the Terminal Tax must be fixed at not more than one fourth percent on the current prices of all different commodities referred to in the Schedule attached to the report of your Committee. My Committee give below certain articles as an instance in point on which the Terminal Tax according to their suggestion will be as follows:–

Coal: one anna per ton.

> The suggested tax of 4 annas per ton is found by the industries concerned to be too high and one anna per ton represents one-fourth percent on the present price of coal.

Gunnies: Ten annas per bale and two annas per package. The rail rate comes almost to the same scale.

Fuel Oil: Three annas per ton.

Petrol: Six annas per 100 gallons,

Cement: Two annas per ton.

Sugar; Nine pies per cwt.

The price of cement is at present between Rs. 40 and Rs. 45 and two annas per ton as being one-fourth percent will be a fair taxation. With regard to sugar nine pies per cwt, was the rate originally proprosed in the schedule accompanying the letter from the Municipal Commissioner No. M. C. 31-A, dated the 18th December 1922, and my Committee had approved of the same. My Committee cannot understand why this rate of nine pies was afterwards raised to 18 pies per cwt which will be considered a heavy tax. My Committee hope that their main suggestion will be accepted by the Municipal Corporation viz: that the Terminal Tax should be one-fourth percent of prices current of the different articles and that the rates of taxation suggested with reference to some of the articles aforementioned will in any case, be accepted in the interests of trade and industries.

No. T. 313 9th March 1925.

From Chamber to Bombay Municipal Corporation.

My Committee learn that the question of the Municipal Terminal Tax has again been referred back to the Committee for substituting non-refundable terminal tax for the existing Town Duty. I am directed by my Committee to request your Committee to consider their letter of 6th February 1925, No. T. 154 and to accept the suggestion made therein. I am directed further to point out in modification of their former letter that the Terminal Tax must be fixed at *not more than* ¼ *(one-fourth) percent* on the current prices of all the different commodities referred to in the schedule attached to the report of your Committee.

APPENDIX 46.

INCREASED IMPORT DUTY ON COTTON PIECE-GOODS IN IRAQ.

No. T. 390 19th March 1925.

From Chamber to the Government of India Department of Commerce, Delhi.

It has been brought to the knowledge of my Committee that there have been recently changes effected in the Customs Tariff valuations for Iraq relating to cotton piece-goods. It is found from a copy of these tariff valuations sent by the Director-General of Commercial Intelligence to my Chamber that the effect of these will be to penalise Indian piece-goods exported to that country as against finer piece-goods coming from other countries including the United Kingdom. Thus a duty of Rs. 5-2 as per kilogramme will be charged for Grey (Unbleached) piece-goods the weight of which per square yard is under 21 grammes and that a duty of Rs. 2-8as. will be charged on the same kind of goods the weight of which per square yard is 235 grammes and over. At first sight it may appear as if the duty in the former case were heavier than in the latter case, but as a matter of fact the duty in the latter case that is in the heavier variety of piece-goods is duty much higher than in the case of lighter varieties of piece-goods. When the weight per square yard is 21 grammes, kilogramme of Grey (Unbleached) cloth will mean about 50 yards while a Kilo of cloth the weight of which per square yard is 235 and over will be but 4½ yards. It will be thus seen that under the new duties, Rs. 2-8 will be charged on only 4½ yards of heavier variety of piece-goods as against Rs. 5-2 for duty in the latter case that is in the heavier variety of piece-goods is for 50 yards for lighter varieties of piece-goods. It obviously means discrimination against Indian piece-goods which are generally of a heavier variety and preference to British and other foreign piece-goods which are generally of a lighter variety. The export of Indian piece-goods to East Africa generally was similarly penalised sometime back and

an attempt is now made to penalise these piece-goods in Iraq. My Committee feel that Indian piece-goods will be penalised if these duties are allowed to be in force. They beg therefore to protest strongly against such changes in Customs Tariffs in Iraq and to request the Government of India to be pleased to move His Majesty's Government to get cancelled the new changes as they would otherwise be a great blow to the cotton piece-goods inudstry of this country.

No. 4338 20th May 1925.

From Director-General of Commercial Intelligence, & Statistics to Chamber.

I have the honour to address you on the subject of your letter No. T 390 dated the 19th March 1925, and addressed to the Secretary to the Government of India, Department of Commerce, Delhi, on the subject of the Iraq cotton piece goods tariff valuations.

In the first place, I would point out that it is not correct to say that "a duty of Rs. 5-2 per kilogramme will be charged for grey (unbleached) piece-goods the weight of which per square yard is under 21 grammes and a duty of Rs. 2-8 will be charged on the same kind of goods the weight of which per square yard is 235 grammes and over". The import duty on cotton piece-goods entering Iraq is 15 per cent levied on the basis of the valuations of which I sent you a copy with my letter No. 169 C. I. D, dated 9th January, 1925. So that the duty leviable will not be the values which you have quoted throughout your letter but will be 15 percent of those values.

I have been trying to collect full information regarding the classes of Indian and other piece-goods mostly imported into Iraq, but I have found great difficulty in collecting such information at all complete. So far, however, as information is available to me, the valuations prescribed in Iraq as the basis of duty appear to correspond tolerably closely with the values of the Indian piece-goods mostly exported to that country. And such information as I have so far received does not indicate that the valuations prescribed favour the

goods of other countries unduly, relatively to Indian goods, except perhaps in the case of goods dyed in the piece. This, however, is a branch of the trade in which the outturn of Indian mills is not great.

The evidence which I have been able to collect is not sufficient for the formation of a conclusive judgment, but so far as it goes it does not seem to support the sweeping statements made in your letter, such as that "it obviously means discrimination against Indian piece-goods"— "My Committee feel that Indian piece-goods will be penalised if these duties are allowed to continue in force" nor would it suffice as the ground for "a strong protest against such changes in Customs Tariffs in Iraq and request H. M. Government to get cancelled the new changes as they would otherwise be a great blow to the cotton piece-goods industry of this country".

I quite appreciate that your Chamber would not have reached these conclusions lightly, and I should be glad if you would let me know the detailed calculations upon which the conclusions expressed in the letter have been based. You will appreciate, I am sure, that before addressing an official protest to another Government on the subject, it is essential that our conclusions should be fully worked out and beyond criticism. For these reasons I would ask you to furnish me with the full data upon which your conclusions have been based, particularly the data as to the width, length and weight of the classes of Indian and other piece-goods which are imported in considerable quantities into Iraq and which are in your opinion now being taxed in a manner which favours the goods of other countries relatively to Indian piece-goods.

I would add that any information that you desire to be kept confidential will be treated accordingly.

No-T. 788 25th June 1925.

From Chamber to Director-General of Commercial Intelligence & Statistics Calcutta.

I am directed to acknowledge the receipt of your letter of the letter of the 20th May 1925, No. 4338. The observations made in our previous letter my Committee now discover were due to pure misunderstanding which they much regret.

2. It will be seen, however, from the following calculations that their original contention that the new tariff valuations fixed by the Goverment of Iraq meant discrimination against Indian piece-goods which were generally of a heavier variety and preference to British and other foreign goods which were generally of a lighter variety, still stands good. The tariff valuation on Grey (unbleached) cloth per kilo is Rs. 5/2 when the weight of a square yard is under 21 grammes. Suppose there is a piece of cloth weighing 20 grammes per square yard, a kilo is of this will mean about 50 yards and the tariff valuation being Rs. 5/2 per kilo the duty of 15 percent will work out at about 12 annas on this piece of 50 yards, the duty on each yard being less than 3 pies. Take now a kilo of a piece of cloth weighing 235 grammes square yard. The tariff valuation of this is Rs. 2|8 per kilo and the piece will comprise about 4½ yards. The duty of 15 percent on this piece will work out at 6 annas on 4½ yards that is 16 pies per yard. It will be seen from this that the duty on coarse cloth which probably forms the bulk of the exports from India will be about more than five times of the duty on finer cloth. It will be seen from this that there is good justification for Goverment to take action with regard to this question and my Committee hope that they will be pleased to do so.

3. With regard to your penultimate paragraph, my Committee are sorry they cannot furnish you with particulars regarding width length and weight of the classes of Indian and other piece-goods imported into Iraq. My Committee know that it is generally heavier and rougher varieties of piece-goods which are exported from this country but it is not possible to give the data you require as it is not one

variety but several varieties which are exported from India. It is naturally still more impossible to get these particulars for foreign piece-goods imported into Iraq. My Committee think that the Customs Department in Iraq would be in a better position to furnish these particulars.

APPENDIX 47.

REFUND OF CUSTOMS DUTY ON STOLEN GOODS.

No. T. 18th June 1925.

From Chamber to the Collector of Customs, Bombay.

The attention of my Committee has been drawn by Messrs. Chaturbhuj Bhaichandbhai & Co., a member of this Chamber, to the case, in which your Department regretted their inability to entertain the abovementioned firm's claim for a refund of Customs duty on the missing contents of one case of cotton stripe poplins ex S S. City of Lahore by your letter No. A. 3266 dated the 16th May 1925 on the ground that the survey was not held under Customs supervision before the payment of Customs duty. My Committee are informed that many merchants may be unaware that in order to entitle them to claim a refund of Customs duty on missing goods, the survey must be held under Customs supervision before the payment of Customs duty. They therefore think it desirable that wide publicity should be given to this rule and hope that you will be good enough to do so.

R. S. R, No. 3061. 6th August 1925.

From Collector of Customs, Bombay to Chamber.

With reference to your letter above cited, I have the honour to enclose herewith, for the information of your Chamber, a copy of a notice issued on the 31st July 1925.

Copy.

New Custom House
Bombay 31st July 1925.

NOTICE.

It is hereby notified for general information that when a claim for remission of duty on lost or short contents of a package is made by an importer solely on the strength of a survey granted by the Agents, the survey cannot be accepted by the Custom House for purposes of abatement of duty unless it has been held in the presence of a Preventive Officer of the Customs Department, and the result of the survey noted by such officer on the reverse of the bill of entry.

Sd/ A. M. Green.
Collector of Customs.

APPENDIX 48.

IMPORT DUTY ON ARTIFICIAL GOLD AND SILVER THREAD (VIDE CHAMBER'S REPORT FOR 1924 APPENDIX 42)

No. T. 847 10th July 1925.

From Chamber to the Government of India
Department of Commerce, Simla.

The attention of my Committee has been drawn to the disabilities under which the indigenous gold & silver thread industry has to carry on at present. In this connection, I am directed to draw your attention to my letter No. T. 976 of the 8th August 1924 in which my Committee requested Government to be pleased to raise the import duty on imitation gold & silver threads and Lametta to 30 percent from the present rate of 15 percent for reasons stated in that letter,

In view of the present unsatisfactory position of this industry, my Committee beg to reiterate this suggestion and trust that the Government of India will be pleased to adopt it.

No. 180. T. (2) 14th October 1925.

From the Government of India Department of Commerce to Chamber.

In reply to your post card No. T. 1309, dated the 18th September 1925, I am directed to say that the proposal contained in your letter No. T. 847, dated 10th July 1925, has been noted. It is regretted that it is not possible to give a more definite reply in anticipation of the budget.

No. 180 T. (2) 29th March 1926.

From the Government of India Department of Commerce to Chamber.

In continuation of the letter from this Department No. 180 T (2) dated the 14th October 1925, on the above subject, I am directed to say that the Government of India have not found it possible in the Indian Tariff Amendment Act, 1926 to raise the rate of duty on imitation gold and silver thread and lametta.

APPENDIX 49.

INCREASED IMPORT DUTY ON SUGAR AND TEA IN PERSIA.

No. T.976 30th July 1925.

From Chamber to the Consul General In-Charge of the Imperial Consulate of Persia, Bombay.

At my interview with you on Monday, the 29th ultimo, with regard to the increased duty on tea and sugar in Persia, you were good enough to inform me that the Government of Persia had exempted from fresh duties whatever sugar loaf and tea passed from Customs upto 12th June. It now appears from a letter addressed by the Consul General, Darjeeling, to the Buyers and Shippers Chamber, Karachi, a copy of which is enclosed herewith, that only such goods which have been taken delivery of from the Persian Customs upto 12th May could have been exempted from the new law. My Committee will feel obliged if you will kindly let them know which of the two dates–12th June or 12th May–is correct.

Copy of letter No. 219, dated 10th July 1925, from the Persian Consul General, Darjeeling, to the Buyers and Shippers Chamber, Karachi.

In continuation of my letter dated the 13th June 1925, No. 152, I beg to inform you that the Foreign Ministry, Teheran, has telegraphed to me that, as you have been telegraphically intimated through the Persian Consulate at Bombay, in reply to your own telegram, only such goods which have been taken delivery from the Persian Customs up till the 22nd Sour (ie. 12th May 1925) could have been exempted from the new law. The goods which have arrived or have been taken delivery of after the said date will be charged according to the Rule, and no exemption in such a case is possible.

No. 19, dated Bombay 4th August 1925.

From the Imperial Consulate of Persia to Chamber.

With reference to your letter No. T.-976, dated 30th ultimo, I have the honour to inform you that the actual translation of the "Cypher" telegram received by this Consulate from the Persian Foreign Ministry had been transmitted to the Buyers and Shippers Chamber at Karachi.

Now it appears from the letter received from Darjeeling and also from other sourses that 22nd Sour that is 12th May was correct and that the date 12th June had been wired by the "Cypher" telegrams, calculator of the Persian Foreign Office through an error.'

No. T.-1213, dated 10th September 1925.

From Chamber to the Consul General for Persia, Bombay.

I have to acknowledge with thanks, the receipt of your letter No. 190 dated 4th August 1925 giving me the correct date on which the new rule re: Customs Duty on imported tea and sugar is to be put into force in Persia.

I am now asked by my Committee to draw your attention to the fact that in almost all great trading countries, whenever any sudden changes are to be made in tariffs of such a far-reaching character the usual practice is to exempt all such articles as are already on their way to those countries from the operation of such changes in the Tariff. My Committee now desire me to request you to be good enough to draw the attention of the Imperial Government of Persia to this and hope that your Government will still be pleased to adopt the same practice as all important trading countries and to order that all sugar and tea which had already left their places of origin on the date on which the new law came into force might be exempted from the operations of the new Act, as otherwise very serious hardship could be inflicted on quite innocent parties which, my Committee are sure, cannot be the intention of your Government.

APPENDIX 50.

COTTON EXCISE DUTY.

No. T. 1291 20th August 1925.

From Chamber to the Government of India Department of Commerce, Simla.

I am directed by my Committee to address you as follows:—

The position of the textile industry in India has been consistently on the decline for the last three years and the matter has been brought to the notice of Government from time to time in different ways. The most outstanding reminder of this fact was in March 1924 when a resolution was tabled asking for the repeal of the Excise duty. This resolution was pressed forward again in September 1924 and passed by an overwhelming majority by the Assembly. A deputation of Bombay millowners was also present at Delhi during the budget session, and in the press and from the platform and by commercial associations throughout the country the matter has been further discussed with responsible Government officials. The most important of these discussions were during the visit of the Honourable Sir Basil Blackett and the Honourable Mr. D. T. Chadwick to Bombay. My Committee regret to say that the response given by both these officials to the earnest representations of the industry which employs the largest number of men in the country engaged in industrial occupations was disappointing and even provoking. The replies from these gentlemen sought to put the entire responsibility for the present situation on the head of the millowners and to exonerate Government from any share in bringing about the present acute crisis. The arguments adduced were faulty and misleading and the professions that Government have done all that is necessary in the past and will go on doing all that is necessary in future were untenable and could not be justified by past records.

My Committee desire in the first instance to draw the attention of Government to the fact that the textile industry of India does not affect as is popularly belived a few apparently rich magnates rolling in wealth. It affects directly hundreds of thousands of workingmen employed in the factories and thousands of middle classmen engaged in supervising and other work. It also affects thousands of shareholders and investors, most of whom belong to the middle classes whose sources of income and employment have now been curtailed very considerably. Besides these directly engaged and interested in this industry, there is a large number of auxilliary trades and occupations dependent on it and any prospect of a general stoppage or restriction of work is bound to Affect their well being as well. The claim of the textile industry to the attention of the Government is, therefore, based on the obligation which Government bears or should bear towards a very considerable section of the most enterprising and industrious population in the country, and viewed from this angle, the Government's attitude must be characterised as one of inexcusable neglect.

One of the factors affecting and leading to the present position of the textile industry is the high exchange prevalent at present. This high exchange has, in the opinion of my Committee, been deliberately worked up from about 1/3½ gold twelve months ago to 1/6 by the Government's policy of manipulating currency and exchange. The demand for sound currency and for natural conditions has been resisted for a very long time and the natural result is that foreign manufactured articles have been enabled to be sold in India very much cheaper, other things being equal, on account of this one single factor. For this the responsibility of the Government is primary and unshared with any section of the public in India. My Committee do not wish to dogmatise as to the exact amount of favour conferred on the foreign manufacturer. But a high exchange certainly gives very considerable advantage to our competitors even from countries now on a gold standard, while the advantage conferred on countries with a very much depreciated currency such as Japan or Italy is enormous, and it cannot be gainsaid that this factor has enabled the

foreign competitor of the Indian textile industry to work havoc in the Indian market to such an extent that any Government in the world would have forthwith stepped in and done something.

My Committee have read carefully all that Government have to say with regard to Japanese competition. Whether the Japanese competition arises from State subsidies, cheaper and highly rebated freight, exploitation of labour, or depreciated Japanese currency, it is quite certain that Japanese cloth has been quoted in the Indian market at rates, which have made the Indian manufacturer stand aghast. Many of these quotations have been found to be well below the cost of producing the article in India. Against such a situation every country in the world has on its statute book legal provision, which enables the executive Government to intervene in time and to prevent any unfair attack on the organised industry of the country. Not only every nation on the Continent and the United States, but the United Kingdom itself the strongest exponent of the policy of non-interference with trade and commerce, has in the last few years resorted to several measures leading to salutory interference on the part of the State. Amongst such measures is the Safeguarding of Industries Act. There are in addition to this, the anti-dumping acts and as a special means for securing orders for the manufacturers of the United Kingdom there is the Trade Facilities Act. The omission of the Government of India to take any measures corresponding to these when there are known and incontrovertible facts calling for immediate action cannot reflect any credit on Government and does not show any appreciation on their part of their obligations towards the community, nor does it reflect any credit on the efficiency of the Commerce and Industry Departments.

In the tariff system of India there is also on the statute book a provision, which enables the Government to fight bounty-fed imports, and my Committee do not understand why Government have not resorted to some more active measure for securing fair trade and for combating unfair competition from abroad. The Government have shown very great alacrity in imposing on this country labour legislation of a very advanced character, as advanced as, if not more

so, than that obtaining in some of the countries on the Continent of Europe. My Committee warmly favour the principal underlying such labour legislation. What they feel is that side by side with such labour legislation the Government should show themselves ready to protect industries, upon which such legislation has been imposed, from unfair competition from countries which have resisted every effort to pass and make effective similar legislation in their own territories. It is regrettable that the Government of India have failed in seeing the justice of this demand not for preference or favour, but for establishing equal conditions.

Apart from the losses, which are for the time being inflicted on a most important industy, and the undeserved discredit in which industrial enterprise is falling, my Committee wish to draw the attention of Government that a continuation of this attitude is calculated to destory industry altogether, and once an industry is disorganised and destoryed nothing can build it up again and even if the capital were forthcoming from Indian savings which is very doubtful the confidence and the necessary atmosphere for success would not be there. It could not possibly be the intention of Government to see industry destoryed with its concomitant unemployment when the distress amongst certain classes for finding a livelihood is already very great and acute. If the indifference of Government to the fate of the industry is due to the belief that what it will lose in the income-tax and other taxes, which the textile industry is at present paying, will be more than covered by the custom duties which it will receive on imported material, this attitude is unsound and harmful. A Government that sets its heart so closely on revenue consideration only and ignores vital principles of the general good of the community, can hardly lay claim to the gratitude of the people.

My Committee feel that the situation is serious and threatens ruin not merely to a large number of investors, but to hundreds of thousands of workers and dependents. The first and unmistakable signs of such ruin are visible in the already compulsory stoppage of the work at so many factories, in the inability of other factories to

sell their products, in increased imports from abroad and in the atmosphere of pessimism which has been created at every new symptom of check or obstacle to the legitimate industry of the country. In view of this very serious position that has arisen the failure of Government to take any action to protect this most important industry from the effects of unfair competition of foreign countries either due to exchange or to labour conditions or to other similar causes is most deplorable and the attitude of the Government of India towards these matters stands out in strange contrast not only with the attitude of self-governing Dominions and foreign countries but also with that of Great Britain. The latter country has not hesitated to make very large sacrifice of revenue only very recently with object of averting the coal miners' strike and preventing the unemployment and distress that would have been the result. The conditions in the cotton industry to-day are similar and call for a similar courageous action.

In conclusion, while the need for legislation is great, my Committee feel that the machinery for securing such legislation is necessarily slow. In the meantime urgent action is called for such as the immediate suspension of the Excise Duty, which has been universally condemned by Indian public opinion ever since it was imposed, and the iniquity of which has been recognised by successive Finance Members, including Sir Basil Blackett himself, and which ought immediately to be taken off regardless of financial or other considerations. My Committee at the same time are strongly opposed to the suggestion which has been supported in influential quarters that the removal of the Excise Duty should be accompanied by a proportionate reduction in the Import Duty. In addition to this relief, such provisional arrangements should be made as would effectively counteract the unfair competition of foreign manufactured goods with Indian products. My Committee do not wish by any specific suggestions to tie down the hands of Government to any particular programme. But they thought it very necessary to voice the public sentiment, which has been conveyed in the above representation, with regard to the acute distress which prevails in the textile industry and which threatens its ruin.

My Committee finally beg to point out that continued neglect of the situation is calculated to aggravate the general sense of India's absolute dependence in matters affecting her trade, commerce and industries.

APPENDIX 51.

SUSPENSION OF THE COTTON EXCISE DUTY.

1st December 1925.

Telegram from Chamber to the Private Secretary to His Excellency the Viceroy.

"Committee Indian Merchants' Chamber have learnt with intense gratification Government's decision regarding Excise Duty and offer congratulations on their statesmanlike action. Committee urge total abolition of Excise Duty by next March. Phiroze Sethna, President."

3rd December 1925.

Telegrams from Chamber to the Commerce and Finance Members Government of India and Sir Purshottamdas Thakurdas Kt. M. L. A.

"President of this Chamber has already wired to His Excellency the Viceroy, stop. Committee of the Indian Merchants' Chamber desire to extend to you warmest thanks for whatever help you must have rendered in arriving at decision of suspension and subsequent abolition of Excise Duty. Country at large must greatly appreciate Government Action.

APPENDIX 52.

PROPOSED AMENDMENT IN THE RULE 4 OF THE INDIAN INCOME-TAX RULES.

Finance Department (Central Revenues.)

NOTIFICATION.

INCOME-TAX.

Simla the 17th September, 1925.

C. No. 664-I.T./25.—The following draft of a further amendment in the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the power conferred by sub-section (1) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922), is published as required by sub-section (3) of the said section for the information of all persons likely to be affected, thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 19th November 1925. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the said Board.

Draft Amendment.

In the certificate set forth in sub-rule (1) of rule 4 of the said Rules after the words and figure "day of April 19 " the words and figure "up to the 31st day of March 19 " shall be inserted.

V. S. SUNDARAM,

Secy., Central Board of Revenue.

T. 1649 16th November 1925.

From Chamber to the Central Board of Revenue
(Finance Dept.)

I am directed by my Committee to acknowledge the receipt of your circular No. 664-I T/25 dated the 17th September 1925 and to state that they have no objection to the proposed amendment in the rule 4 of the Indian Income-tax Rules 1922.

APPENDIX 53.

PROPOSED AMENEMENT IN RULE 19 OF THE INDIAN INCOME-TAX RULES 1922.

Central Board of Revenue.

NOTIFICATION.

INCOME-TAX

Simla the 5th September 1925.

C. No. 621.T./25.—The following draft of a further amendment in the Indian Income-tax Rules, 1922 which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 59 of the Indian Income-tax Act 1922 (XI of 1922) is published as required by sub-section (3) of the said section for the information of all persons likely to be effected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 5th November 1925. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the said Board.

Draft Amendment.

In the form set forth in rule 19 of the said Rules, in Schedule A—

(*i*) after column 6, the following column shall be inserted, namely :—

"6-A. Period during which the property remained vacant."

(*ii*) after column 13, the following column shall be inserted namely :—

"13-A. Amount claimed on account of property remaining vacant."

(*iii*) in column 14 for the figures "13" the figures and letter "13-A" shall be substituted.

V. S. SUNDARAM,
Secretary, Central Board of Revenue.

No. T. 1650 18th November 1925.

From Chamber to the Central Board of Revenue, (Finance Dept)

I am directed by my Committee to acknowledge the receipt of your circular No. 621-I T/25 dated the 5th September 1925, and to state that they have no objection to the proposed amendment in rule 19 of the Indian Income-tax Rules 1922.

APPENDIX 54.

REDUCTION OF DUTY ON FOREIGN LIQUORS MANUFACTURED IN BOMBAY PRESIDENCY (VIDE APPENDIX 72 p. 553 OF THE CHAMBER'S REPORT OF 1924).

No. 3821-C/ 24 26th October 1925.

From the Government of Bombay Revenue Department to Chamber.

With reference to your letter No. T.-1025 dated 20th August 1924 on the subject noted above I am directed by the Government of Bombay (Transferred Departments) to forward for your information a copy of Government letter No. 3821-C/24 dated 26th October 1925 addressed to the Secretaries, Treasurers and Agents Alembic Chemical Works Company, Limited.

(*Copy*)

No. 3821/C 24 26th, October 1925.

From Government of Bombay, Revenue Department to Secretaries, Treasurers and Agents, The Alembic Chemical Works Company, Limited.

Gentlemem,

I am directed by the Government of Bombay (Transferred Departments) to refer to the correspondence ending with your letter No. 839 dated 28th March 1925 on the subject noted above and in reply to state as follows.

2. In the correspondence in question the following points have been raised by you :—

(a) the levy of duty on the Company's products at the ordinary excise rates instead of at the Indian Tariff rates ;

(b) the imposition of restrictions on the movements of foreign liquors manufactured by your Company which do not apply in the case of imported foreign liquors ;

(c) the indirect encouragement given by this Government to foreign manufacturers as a result of the levy of customs duty on packing materials imported by your Company ; and

(d) the prevention of the use of spirit other than locally manufactured or British spirit, Scotch Whisky and French Brandy, in the processes of compounding and blending of foreign liquor as enforced by the Government of Bengal.

3. As regards (a) I am to state that Government do not consider it feasible to reduce the duty on Indian made foreign liquor so as to be equal to that on country liquor for the reason, inter alia that the excise duty on country liquor varies in rate throughout the Presidency. I am however to refer you to the orders recently issued by Government directing that Indian made foreign liqour, whether manufactured in this Presidency (including the Indian States situated within its geographical limits) or elsewhere in British India and imported into the Presidency which was hitherto assessed to duty at Rs. 21-14-0 per proof gallon should be charged duty at Rs, 17-8-0 per proof gallon. It is understood that this reduction would be of substantial assistance to your Company in meeting the competition of imported foreign liquors.

4. With regard to point (b) in paragraph 2, I am to state that the duty on imported foreign liquor is collected under the Sea Customs Act and is credited to Imperial revenues while that on Indian made foreign liquor is collected under the Bombay Abkari Act and is credited to provincial revenues. No restrictions are therefore necessary in the case of the former, once the customs duty is paid while the imposition of restrictions in the case of the latter is necessitated by the fact that the province of consumption is entitled to receive the duty. As you are aware, the Government of Bombay

have already issued orders for the duty-free transit, through the Bombay Presidency of foreign liquors manufactured by you and intended for consumption in the Madras Presidency, Central Provinces, and Berar and Mysore.

5. With reference to point (c) in paragraph 2, I am to point out that the incidence of customs duty on bottles, corks and packing cases constitutes a very small charge per proof gallon. In view of the large reduction in duty already made (vide paragraph 3 above) no further action seems to be called for.

6. With reference to point (d) I am to say that the imposition of restrictions in this Presidency similar to those imposed by the Government of Bengal on the compounding and blending of foreign liquor would serve no useful purpose as no imported foregin spirits have been compounded and blended in the Bombay Warehouse during the past two years. The restrictions, if imposed, would moreover easily be circumvented by the trade by the importation of spirit compounded and blended. The reduction of foreign liquor from high strength to the prescribed potable strength is allowed freely by the Government of Bengal also and no local restriction on this process appears to be necessary.

I have the honour to be

Gentlemen

Your most obedient Servant

H. K. KIRPALANI

Deputy Secretary to Government of Bombay

Revenue Department.

APPENDIX 55.

TARIFF VALUATIONS OF HIDES AND SKINS FOR THE YEAR 1926.

No. 169-T., 22nd October 1925.

From Director-General of Commercial Intelligence and Statistics to Chamber.

With reference to my letter No. 3562 of the 9th May 1921, I write to say, for the confidential information of your Chamber, that it is proposed to revise the valuations of hides and skins for export duty with effect from 1st January 1926, and I enclose a statement showing the valuations which it is proposed to bring into effect from that date.

If you desire to put forward any criticisms of the rates proposed, I shall be glad if you will kindly let me have them at as early a date as possible before the 21st November next. In order to avoid misapprehension, I would add that these rates are intended to represent averages at the major Indian ports of all grades under each heading exported from India.

STATEMENT.

No.	Names of articles.	Per.	Proposed tariff valuation. Rs.	a.	p.
6.	6. *Raw Hides and Skins if Exported from any place in British India other than Burma.*				
(1)	Arsenicated and air dried hides—				
	(*a*) Cows (including calf skins) { framed ...	lb.	0	12	0
	unframed.	,,	0	8	0
	(*b*) Buffaloes (including calf skins. { framed ...	,,	0	8	0
	unframed.	,,	0	5	6
(2)	Dry salted hides——				
	(*a*) Cows (including calf skins)	,,	0	6	6
	(*b*) Buffaloes (including calf skins)... ...	,,	0	4	3
(3)	Wet salted hides—				
	(*a*) Cows(including calf skins)	,,	0	4	0
	(*b*) Buffaloes (including calf skins	,,	0	3	0
(4)	Goat and kid skins	piece	1	8	0
(5)	Sheep skins	,,	1	0	0

No. T.-1591, 11th November 1925.

From Chamber to the Director-General of Commercial Intelligence, Government of India, Calcutta.

With reference to your letter No. 169. T., dated 22nd October 1925, I am directed by my Committee to inform you that they have no criticisms to offer on the above.

APPENDIX 56.

PROTECTIVE DUTY ON IMPORTED COAL.

No- 652 10th November 1925.

From Tariff Board to Chamber.

I am directed to enclose six copies of a pamphlet containing the application of the Indian Mining Federation for the imposition of protective duties on coal, together with the Board's press communique and questionnaire. The pamphlet is on sale and copies can be had from the Government Book Depot and authorised booksellers, price 2 annas.

2. One important aspect of the case is the comparative cost to industries of using coal, hydro-electricity or fuel oil. On this subject the Board have addressed special enquiries to the Bombay Millowners' Association who will be able to answer for the textile mills, but there are no doubt industrial establishments in Bombay to whom the cost of power is important, and who may be able to give the kind of information which the Board desire. If any such are known to the Chamber, the Board would be glad if they could be supplied with copies of the supplementary questionnaire attached to this letter, and invited to send their replies direct to the Board, if possible, by the 1st December.

3. I am to say that the Board would be glad to receive an expression of the views of Indian Merchants' Chamber regarding the proposed duties on coal, and to request that any representation which the Chamber desire to submit may reach the Board not later than the 1st December if possible. If the Chamber wish to give oral as well as written evidence the Board would be glad to have the earliest possible intimation of the fact.

Questionnaire for Bombay industrial firms other than textile mills.

1. What is the industry in which your firm is engaged ?

2 What is the cost at present of fuel oil.

(a) c. i. f. Bombay, and

(b) landed and duty paid.

3. What quality of fuel oil may be taken as equivalent to one ton of coal ?

4. With coal and oil at their present prices, how does the cost of a ton of coal compare with cost of the equivalent quantity of fuel oil ?

5. In deciding whether the use of fuel oil in place of coal should be introduced or continued, what circumstances must be taken into account (e g. convenience in handling, economy in labour charges etc.) other than the cost of the quantity of each kind of fuel required to carry out a certain amount of work ?

6. When all the circumstances are taken into account, is coal or oil regarded as the more economical fuel for use in an industrial establishment such as yours with prices as they are at present ?

7. What are the rates which are or would be charged to your firm for hydro-electric power at present ?

8. What number of units may be taken as approximately equivalent to one ton of coal ?

9. With the present price of coal and the present rates for hydro-electric power, how does the cost of coal compare with the cost of the equivalent number of power units ?

10. In deciding whether the use of hydro-electric power in place of coal should be introduced or continued; what circumstances must be taken into account other than the cost of the coal and cost of the number of power units required to carry out a certain amount of work ?

11. When all the circumstances are taken into account, is coal, or hydro-electricity regarded as the more economical source of power in an industrial establishment such as yours with prices and rates as they are at present ?

No.-T 1789 9th December 1925.

From Chamber to Tariff Board.

I am directed to acknowledge the receipt of your letter No. 652 of the 19th November 1925 and to send hereby the views of my Committee regarding the proposed duties on coal.

My Commitee suggested to the Government of India in their letter No. T-563 dated the 4th June 1923, that a duty equivalent to the amount of the bounty should be imposed on coal imported to India from South Africa but only after a sufficient supply of Railway wagons was available. They have reconsidered the whole question afresh, and are still of the same opinion as they expressed two years back. Coal is undoubtedly an important industry in this country, and is also undoubtedly a key industry, because anything that prevents sufficient supplies of coal being developed in this country will recoil very seriously on all Indian industries in any crisis of a kind at all comparable to the last world war, and will subject all Indian industries to any exploitation by foreign competitors, who may be more fortunately placed in the matter of coal supplies. Therefore while such an industry can undoubtedly claim reasonable protection to allow of satisfactory development in this country the case for a countervailing duty to the extent of the bounty that may be given by any foreign Government to its own coal is far stronger because India should not tolerate such unfair competition from any country and should not allow products of any such country to enter India that would not have entered the country without such artificial supports and in the normal course of trade. My Committee would therefore strongly urge the imposition of atleast a rate of duty equal to the bounty subsidy direct or indirect that any foreign coal may be getting from its own Government. My Committee understand that South African coal is allowed a bounty of 7s 9d on all exports in the form of rebate of Railway freight and all South African coal should have a duty imposed upon it to the extent of this rebate in addition to any general duty that may be imposed on coals entering India from the point of view of protection. There is a further bounty that all foreign

coal is enjoying for the last twelve months owing to the rise in our rate of exchange from about 16d gold in August September 1924 to 18d gold as it stands today. This means that all foreign coal can be sold in India, other things being equal atleast 12½% cheaper than would have been possible twelve months ago. Taking the selling price of coal at say Rs. 20 per ton, this means a differentiation in favour of foreign coal of Rs. 2½ on this account alone.

There is the further case of countries with currencies very much below their pre-war gold par such as Japan. In the case of Japan its currency stands today at 20¼d gold against 24-5⅝d which is its pre-war gold par. This would give Japanese coal a further protection on account of the depreciation of its currency of 14 p. c., or say Rs 2-12 per ton and my Committee feel that considerations of fair trade only if not anything else would justify a further import duty of an amount equivalent to the advantage that depreciated currencies given to any foreign coals imported into India and which they estimate in the case of Japan at Rs. 2-12-0 per ton.

To summarize, my Committee would urge the imposition of

(1) an all round import duty of Rs. 2-8 per ton in addition to the present revenue duty of 0-8 per ton in order to equalise the conditions of competition as between Indian and foreign coals on account of the further rise of 2d in the pre-war gold par of the rupee.

(2) an additional import duty of Rs. 5-2-8 on all South African coal to counteract the effect of the bounty of 7s 9d that they now get in the shape of rebate of the Railway freight.

(3) an additional import duty of an amount equivalent to the depreciation of their currency as compared with the pre-war gold par, on all coals coming from countries with a depreciated currency and which my Commitee estimate at Rs. 2-12 per ton in case of Japan.

My Committee are not oblivious of the fact that the total amount of foreign coal imported into this country is today only about 2 to 2⅔ p. c., which may at first sight appear negligible but they would beg to point out that in almost every line of trade it is the marginal quantity that really controls the price of the whole and excess or shortage or even apprehensions of such excess or shortage of even ten percent frequently makes a change of 50 to 100 percent in the price level. Therefore my Committee are of opinion that the 2 to 2⅝ p. c. that is added to the supplies of coal from importations is not negligible and cannot but have an appreciable effect in depressing the price of coal generally in this country. They also find considerable weight in the arguments advanced in para 4 sub-section I of the application of the Mining Federation that while this 2⅜ percent of imported supplies may look negligible as compared with the total supply such imports form a very large percentage of the total demand in the two important markets of Bombay and Karachi and consequently their influence over the prices is much greater than would ordinarily be the case with marginal quantities.

The reduction of a few rupees which would be thus forced upon Indian coal may again form only a small percentage of the total price in Bombay or Karachi but as two thirds of this price represents freights and charges which it is not in the power of the Indian Collieries to control the result is to compel the pit's mouth price to be reduced to the extent of the full reduction in Bombay or Karachi prices, and works out at a far bigger percentage reduction on the pit's mouth price. My Committee beg to emphasise this aspect of the question because they are afraid that the smalness of the quantities imported may lead your Board to think that foreign competition was negligible and that there was no need to do anything to protect the Indian Coal industry from such competition. The above leads my Committee to say a few words on the question of charges. They feel that the Government do not correctly appreciate the incidence of increased Railway and Dock charges on prices in this country, particularly those of coal. They find that the Railway freights compare as below :—

	Pre-war 1913.	Today 1925.	Increase.	Increase. p. c.
Jharia to Calcutta Rs.	3-2-0	4-8-6	1-6-6	45%
Jharia to Bombay ,,	11-4-0	15-6-0	4-2-0	36⅔%

It will be seen from the above that while freights may show a lower percentage of increase than the increase in general price levels the increase in actual rupees, annas and pies is as much as :—

Rs. 1-6-6 from Jharia to Calcutta equal to 28⅛% on the pit's mouth price of coal; Rs. 4-2 0 from Jharia to Bombay equal to 82½% on the pit's mouth price of coal.

It will now be seen that the increases in Railway freights have a most important bearing on the ability of the Indian Collieries to work at a fair profit because if customers are obliged to offer lower prices and the Railway freight is not reduced pro rata the whole burden of reduction of prices falls on the pit's mouth price and it is this that in the opinion of my Committee has been largely responsible for reducing the Indian Coal industry to its present plight. My Committee quite realise that the reduction of Railway freights is not one for decision by your Board but they urge a careful examination of this side of the coal question in order to be able to include a suitable recommendation to Government with regards to freights on coal traffic.

As for exports of Indian coal my Committee are in favour of encouraging the same in order to provide a readymade outlet for our coals when the home demand may be temporarily poor and they would welcome any suitable measures of encouragement in the shape of lower freights and charges.

APPENDIX 57.

MUNICIPAL TAXES IN THE MADRAS PRESIDENCY ON COMPANIES CARRYING ON BUSINESS THERE.

No. T. 1756 8th December 1925.

From Chamber to Government of Madras Local Self-Government Department (Local and Municipal) Madras.

The attention of the Committee of this Chamber has been drawn by a member to hardships caused to Bombay firms by some sections of the Madras District Municipalities Act of 1920 empowering Municipalities among other things to levy a tax on companies carrying on business within their territory a tax which in certain cases exceeds limit of an ordinary Municipal tax. Under the operation of this Act a company with a paid-up capital of over Rs. 10 lacs and which has transacted business within the municipal limits of over Rs. 25,000 has to pay as companies' tax Rs. 500 perannum irrespective of the fact whether that business had brought profit or loss. Not only this but the tax can be levied by every Municipality within the Presidency and is as a matter of fact levied so far as my Committee are informed by more than one Municipality.

My Committee realise that Municipal taxation does not take into account the profit or loss incurred by persons carrying on business in the municipal limits but the companies' tax appears to be a special tax in addition to the usual property tax and has no relation whatever to the amenities a Municipality provides in return for such usual Municipal taxes as the General Tax, Water Tax, Conservancy-Tax, Wheel Tax, etc. The companies' tax seems to be levied on companies merely for the privilege of carrying on business in the Municipal limits and is specially inequitable in the case of companies established outside the Municipal limits whose business within the Municipal limits is only a small portion of their total business. The tax may not bear

hard on a company which is established and carries on business within particular Municipal limits, but in the case of a company with its head-quarters say in Bombay and which transacts business in half a dozen or more Municipalities in the Madras Presidency the payment of the tax to each of these Municipalities may mean a serious burden.

My Committee beg in this connection to support the representation made by the Bombay Chamber of Commerce-in this very matter through their letter No. 145 247 of the 26th January, 1922, wherein they observed " Not only is the assessment made in the most arbitrary manner but the Municipalities concerned adopt either of the methods of assessment prescribed in the schedule at their discretion." My Committee are informed that a bill to amend this District Municipalities Act was introduced in the Council and would be much obliged if they were supplied with a copy of that bill and informed as to what progress it has so far made.

APPENDIX 58.

DUTY ON BENGAL LIGHT MATCHES.

No.-T 504 17th April 1925.

From Chamber to the Government of India Department of Commerce.

The attention of the Committee of this Chamber has been drawn to the Tariff Schedule issued by the Government of India providing that foreign matches should be charged at Rs. 1-8 per gross. This Schedule does not specify whether the word "matches " should mean safety-matches or any other kind. It is curious, however, that Bengal Light matches are classified by Customs authorities as "fire-works" although they are considered as "non-safety-matches " both by the Railways as well as the Explosive Department of the Govern-

ment of India, The present duty of 30 percent on the Bengal Light matches instead of Rs. 1-8 per gross of boxes results, so far as the information of my Committee goes, in flooding the Indian market with German matches which, being lightly taxed, easily compete with Indian matches handicapping the Indian industry and affecting also the Government revenue.

2. All the explosives are classified under Railway rules and are charged accordingly. A reference to the Red Pamphlet No. 5 which is issued by the Railway Conference Association shows that the Bengal Light matches do not come under the head of 'fire-works' but they are classed as 'non-safety-matches" under the Dangerous Articles Schedule II of the Red Pamphlet Page 71. The Railway authorities, therefore, in booking Bengal Light matches charge the same as 'non-safety-matches' and not as fire-works., The Railway freight on fire works is heavier than non-safety matches. *i e.* Bengal Light matches. While the Bengal Light matches are thus treated by the Railways as non-safety matches and are given light treatment, they are considered by the Customs authorities as "fire-works" and are charged also a lighter duty by them. Foreign Bengal Light matches happen, therefore, to receive a favourable treatment both at the ports and on Railway transhipment and it is no wonder that they compete with indigenous Bengal Light matches.

3. Under these circumstances, my Committee beg to request the Government of India to be pleased to tax Bengal Light matches at Rs. 1-8 per gross, the same rate of duty in fact as is levied on safety-matches.

No. 156-T 11. 7th May 1925.

From the Government of India Department of Commerce to Chamber.

With reference to your letter No. T. 504, dated the 17th April 1925, I am directed to say that the Government of India are not prepared to raise the import duty on "Bengal Light Matches" which are of the nature of toys.

(E) PUBLIC ENQUIRY COMMITTEES AND COMMISSIONS.

APPENDIX 59.

THE TAXATION ENQUIRY COMMITTEE.

No. T- 261 27th February 1925.

From Chamber to the Secretary Indian Taxation Enquiry Committee.

With reference to your letter No, 97-T, dated the 20th December 1924, forwarding *copy of the questionnaire of the Indian Taxation Enquiry Committee, I am directed by my Committee to enclose herewith a *copy of their letter to the Government of India, Finance Department, No. T, 755, dated the 4th July 1924, for purposes of easy reference.

It will be seen from this that in the opinion of my Committee "an enquiry into the readjustment or distribution of incidence of taxation must, to be equitable, follow and not precede, an enquiry into the economic condition of the people". "Such an enquiry as now contemplated and instituted by the Government cannot be successful without a previous exhaustive enquiry into the taxable capacity of the people as ascertained by reference to their annual income" and "the country has never asked for any enquiry into a mere consideration of the tax system with the mutual relations and readjustment of its various parts".

Your Committee cannot be unaware of the recent appointment of a small Committee "to examine material at present available for

* Will be found in the File No. R. 15; 1925.

* Will be found in the File No. R. 15 ; 1925

framing an estimate of the economic condition of the various classes of the people of British India; to report on its adequacy and to make recommendations as to the best manner in which it may be supplemented and as to lines on which a general economic survey should be carried out with an estimate of the expenditure involved in giving effect to such recommendations." Holding the views that my Committee do, they believe that the report of this Committee, though its terms of reference are narrow and restricted, may prepare the ground for a serious economic enquiry which is wanted before any taxation enquiry can be undertaken. My Committee cannot see on these grounds that any useful purpose will be served by their replying to the questionnaire of the Committee, and regret that they are unable to do so.

APPENDIX 60.

THE EXTERNAL CAPITAL COMMITTEE.

No. D.-3749-F., 18th November 1924.

From the Secretary, External Capital Committee, to Chamber.

In accordance with the promise given by the Honourable Sir Charles Innes in the Legislative Assembly on the 5th June 1924, a Committee consisting of the following gentlemen was appointed by the Government of India during the last Simla season to consider the question of the flow of capital into India from external sources :—

The Honourable Sir Basil Blackett, K.C.B., *Chairman.*

The Honorable Sir Charles Innes, K.C.S.I., C.I.E.

The Honourable Mr. J. W. A. Bell.
The Honourable Mr. G. A. Natesan.
The Honourable Dr. Dwarkanath Mitter.
} Elected by the Council of State.

Mr. W. S. J. Wilson, M.L.A.
Sir P. S. Sivaswami Iyer, K.C.S.I., C.I.E., M.L.A.
Pandit Madan Mohan Malaviya, M.L.A.
Mr. Vithalbhai Javerbhai Patel, M.L.A.
} Elected by the Legislative Assembly.

2. I am directed by the Committee to request that you will be so good as to place the accompanying questionnaire which has been framed by them before your Chamber and communicate their replies at your early convenience. The Committee would be grateful if the replies could be sent so as to reach me by about the middle of January next.

EXTERNAL CAPITAL COMMITTEE.

QUESTIONNAIRE.

Forms of Capital—

1. What are the different forms in which external capital enters India?

Encouragement—

2. In which of these cases is the entry either unobjectionable or necessary in the interest of India generally and of Indian industries in particular?

3. Is it necessary to encourage the entry of any particular variety?

4. If so, what steps should be taken in this direction and to what extent is capital likely to be forthcoming as the result of such steps?

Replacement—

5. How far is it possible to replace external by internal capital?

6. What measures are necessary for the—

(1) greater attraction of indigenous capital for industrial purposes, and

(2) development of banking organisation and credit facilities in India?

Restriction—

7. What are the forms of external capital the entry of which is objectionable?

8. What are the objections in each such case?

9. What restrictions can and should be imposed in each such case?

10. What would be the effect of any such restriction on the—

(1) industries and development of the country generally,

(2) loan policy of Governments and local bodies, and

(3) holders of investments?

Differentiation—

11. Is it necessary to differentiate in any respect and, if so, how would you differentiate between :—

(1) British and foreign capital, and

(2) Capital from foreign countries which exercise such discrimination and from those which do not?

Practice elsewhere—

12. What is the practice in other countries (especially in the British Dominions) in the matter of encouraging or restricting the flow of foreign capital?

No.T- 85 21st January 1925.

From Chamber to External Capital Committee.

I am directed by the Committee of this Chamber to send their replies to the Questionnaire of the External Capital Committee sent with your letter No, D-3749-F. of the 18th November 1924.

Q. 1.—The following are the different forms in which external capital enters India :—

(a) materials; (b) share capital; (c) loans either to the public bodies or firms; (d) remittances through banks; and (e) sterling borrowings by Government

Q. 2.—My Committee have no objection to the import of foreign capital so far as the sterling borrowings by Government and public bodies are concerned. They have also no objection to share capital imported by companies registered under the Indian Companies Act. No capital should be imported for industries excepting under certain safeguards and restrictions which are mentioned below in reply to Question No. 9.

Q. 3.—My Committee do not see any necessity for specially encouraging the import of foreign capital except that in case of loans capital for Government and public bodies and debentures for industrial concerns there should be no restrictions.

Q. 4.—Vide reply to question No. 3 above.

Q. 5 & 6.—A reply to these would depend upon a very searching enquiry into the economic conditions of the people.

Q. 7—My Committee would consider capital in the form of share capital objectionable when the Company is registered in foreign countries or when the Company is registered in this country but at least 50 percent of its share capital has not been subscribed by Indians.

Q. 8.—My Committee do not think it desirable that foreign capital should be brought here to exploit the resources of this country.

Q 9.—All foreign individual firms and individuals trading in this country should be required to take out licences for trading. With regard to Joint Stock Companies, it should be laid down as previously stated that at least 50 percent of its share capital shall have been subscribed by Indians and that a majority of its Directors also should be Indians.

Q. 10.—(1) My Committee do not think that restrictions above suggested will in any appreciable way affect the flow of foreign capital and on the other hand it will assure participation of Indians in the management of such industries and will give an impetus in the starting of similar industries by Indians.

(2)—Restrictions proposed cannot have any effect on such loans, as they do not touch borrowings by public bodies or Government.

(3).—As my Committee do not propose that the above restrictions should have retrospective effect on companies already in existence, the holders of investment should not be affected, nor will they affect holders in companies to be established hereafter as it is not proposed to restrict the realisation of their securities in any way.

Q. 11.—There should be no discrimination between British and other foreign capital excepting where foreign countries discriminated in their own countries against the entry of foreign capital there.

Q. 12.—My Committee have in Appendix-A given some of the restrictions on the entry of foreign capital in foreign countries. This statement is not, in any, way, claimed to be exhaustive.

APPENDIX. A.

Restrictions on foreign capital and foreigners doing business in various countries.

(Commerce Reports.)

Sweden.

Permission is necessary before a foreigner may engage in trade or manufacturing activities in Sweden. Applicants must be 25 years old and must offer guaranty or security for the payment of rates of taxes to State and municipality for a period of three years. Foreigners must obtain permission to form a trading company or become partner in such company. Only Swedes may found joint stock banking companies or unlimited liability banking companies, or be share-holders in banking or railway companies or principal stock-holders in solidary banking companies. Foreign subjects, corporations, or institutions, to a certain extent, are restricted from acquiring shares in ordinary Swedish companies.

Spain.

(Board of Trade Journal, July 31, 1924).

In order that firms may be qualified for receiving certain benefits under Spanish Royal Decree dated 30th April 1924, they must comply with the following conditions :—

(1) The Board of Directors and the management must be Spanish, but in the case of limited liability companies one-third of the Board of Directors may be foreigners. No foreigner, however, may be President of the Board or Managing Director.

(2) 75 percent of the capital must be owned by Spaniards.

(3) 80 percent of the office staff and workmen employed must be of Spanish nationality. During the first three years, however, the employment of foreigners in the following proportions will be permitted : 75 percent during the first years, 50 percent the second and 30 percent the third year.

(4) The fuel, material, and fittings used must be Spanish production, excepting where for technical or other special reasons they have to be obtained from abroad.

Japan

(Japan Year Book for 1922).

Foreign corporation :—As explained at length by Mr. T. Miyoke, Barrister Counsellor at Law, in the August No. of the America—Japan, foreign corporations in Japan are taxed as follows on that portion of the profit which is in excess of 10 percent on the invested capital, that is to say :—

(1)	On the amount in excess of	10	percent of the capital.	4%
(2)	do	20	do	10%
(3)	do	30	do	20%

Also on income derived from business or assets in Japan, 7½%

Thus a foreign corporation will in any case be taxed. 7½%

Finland.

(Report of Finland for 1924).

December 14 1923 Law passed relative to the State tax of 8 percent on all foreigners drawing interest on deposits in Finnish Banks or on dividend on shares held by them in Finnish companies.

France.

(September 15, 1924. Commerce Report U. S. A).

Foreign Insurance Companies in France :—

Foreign Insurance Companies required by law of February 15, 1917, to obtain approval of the Government. Insurance companies which have not obtained the authorisation of the Government are not only forbidden to sue but are also liable to a fine of 100 to 5,000 francs; in case of second offence 500 to 10,000 francs.

Esthonia.

(August 25, 1924 Commerce Report U. S. A.)

Business taxes:—

(1) A tax of 1 percent on fixed capital from which license fee is to be deducted. In case of enterprises owned by foreign corporations and companies having their head offices abroad only that part of their capital is subject to taxation which is designed for operation in Esthonia.

(2) A tax of 5 percent to 11·5 percent on net profits.

Columbian Taxation of American Agencies:

(October 20, 1924 Commerce Report U. S. A.)

Columbian Income-tax Law of 1918 established a national tax on all incomes, payable by all persons, national or juridical, domiciled or resident within the country or though residing abroad receiving income from "properties or capital local in Columbia"

UNITED KINGDOM.

Visitors taxed if resident 6 months.

(July 28, 1924 Commerce Report U. S. A.)

Profits arising from sources outside of the United Kingdom and utilised by their owner are taxable if owner whether British or foreign is a resident of the United Kingdom for a total of six months in any assessment year.

Turkey.

(March 3, 1924 Commerce Report U. S. A.)

Formalities in establishing Turkish Companies :—

In order to become officially established in Turkey a company must comply with certain regulations in regard to registration, taxation and employees. Registration requires declaration of company's proposed business activity, its capital and financial resources. Income-tax is virtually the only tax imposed on private firms and corporations. Employees except heads of Departments, managers and technical assistants must be Turkish subjects and Turkish is the only official language.

APPENDIX 61.

THE INDIAN ECONOMIC ENQUIRY COMMITTEE.

No. T. 558 28th April 1925.

From Chamber to the Secretary, Indian Economic Enquiry Committee.

I am directed to acknowledge your letter No, 253-E, dated 1st instant, containing an invitation to this Chamber to give evidence and enclosing a* copy of the questionnaire of your Committee.

2. I am to point out that the Committee of my Chamber find themselves unable to approve of Government's action in appointing your Committee with the terms of reference which they have given you. In their communications to Government this Chamber has indicated at the time of the appointment of the Taxation Committee that before any useful work could be done on the examination of the sources of Government revenue with a view to replacement or in-

* Will be found in the File No. R.-44 ; 1925.

crease, it was necessary to ascertain the economic condition of different classes of the community with special reference to their taxable capacity. The economic investigation, it was suggested, should precede the investigation by the Taxation Committee. The economic investigation is further wanted in order to put into operation several of the more obvious remedies for several of the palpable economic evils, from which this country is suffering. None of the two purposes can be served by your Committee under the terms of reference given to you. Prima facie it appears to us that the efforts of the Taxation Committee and of your Committee involve a waste of time and money, for which no clear justification has been given to the public. On the contrary, a certain amount of misapprehension must exist in the public mind as to the nature of the concession made by Government to the pressure of public opinion asking for an economic enquiry.

3. Under the circumstances, my Committee have decided that no useful purpose will be served by answering the questionnaire, which you have issued, but I am to state that on the opinions expressed in this letter if your Committee wish to invite this Chamber to give any further oral explanations, the Chamber would have no objection in sending one or more representatives to Poona.

(F) TRADE AND INDUSTRIAL LEGISLATION.

APPENDIX 62.

MATERNITY BENEFIT BILL.

No. 1066-11211-D., 16th March 1925.

From the Government of Bombay to the Chamber.

I am directed by the Governor in Council to forward herewith

a copy of Government Resolution No. 1066, dated the 9th March 1925 * and accompaniments regarding the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly and to request that you will be so good as to favour Government with the opinion of your Chamber on the provisions of the Bill as requested in paragraph 1 of the Resolution I am to request that the reply may be forwarded to the Director, Labour Office, not later than the 15th April 1925.

A

BILL

TO

Regulate the employment of women in factories and mines and on those estates to which the Assam Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit.

Whereas it is expedient to regulate the employment of women in factories and mines and on those estates to which the Assam Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit during the period of absence from work due to advanced state of pregnancy and confinement; It is hereby enacted as follows :—

Short title extent and commencement.

1. (*1*) This Act may be called the Maternity Benefit Act, 192 .

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) It shall come into force on the first day of January, 1926.

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* Will be found in the File No. L-40 1925.

2. In this Act,—

Definitions.

(*a*) "factory" means a factory as defined in the Indian Factories Act, 1911;

(*b*) "mine" means a mine as defined in the Indian Mines Act, 1923;

(*c*) "estate" means an estate as defined by the Assam Labour and Emigration Act, 1901;

(*d*) "qualified medical practitioner" means a qualified medical practitioner as defined in the Workmen's Compensation Act, 1923;

(*e*) "benefit" means benefit as provided for by this Act;

(*f*) "employer" includes an "occupier" of a factory as defined in the Indian Factories Act, 1911, or the "manager" of a factory, or an "owner" of a mine or his "agent" as defined by the Indian Mines Act, 1923, or the "manager" of a mine, or the "chief person" for the time being in charge of any "estate";

(*g*) "Inspector of Estate" means an Inspector as defined by the Assam Labour and Emigration Act, 1901;

(*h*) "Inspector of Factories" means an Inspector as defined by the Indian Factories Act, 1911;

(*i*) "Chief Inspector of Mines" means a Chief Inspector as defined by the Indian Mines Act, 1923, and

(*j*) "Inspector of Mines" means an Inspector as defined by the Indian Mines Act, 1923,

Employment of women at the time of confinement and payment from Maternity Benefit Fund.

3. In any factory or in a mine or on an estate to which the Assam Labour and Emigration Act, 1901, or any section thereof applies, a woman—

(*a*) shall not be knowingly employed during the six weeks following her confinement,

(*b*) shall have the right to leave her work if she produces a medical certificate from a qualified medical practitioner stating that her confinement will probably take place within six weeks;

(*c*) shall, while she is absent from her work in pursuance of clauses (a) and (b) of this section, be paid by the Local Government in accordance with rules made for this purpose, out of a fund to be established for this purpose and called the Maternity Benefit Fund, benefit sufficient for the full and healthy maintenance of herself and her child, the amount of which shall be determined in accordance with rules made by the Local Government.

Payment in case of death during period of confinement.

4. If a woman dies at her confinement or during the period for which she is entitled to benefit, the remaining sums due as maternity benefit shall be paid to the person who undertakes the care of the child in accordance with rules made by the Local Government.

Dismissal of woman during confinement.

5 Where a woman is absent from her work in accordance with clause (a) or clause (b) of section 3, it shall not be lawful for her employer to give her notice of dismissal during such absence or at such a time that the notice would expire during such absence.

Penalty for contravention of Act by employers.

6. An employer contravening any provision of this Act or any rule made thereunder shall be punishable with fine which may extend to five hundred rupees.

Powers of Local Governments to make rules.

7. Every Local Government shall make rules—

(*a*) for the establishment of a Maternity Benefit Fund; for fixing the amount of contribution to be paid to it by each factory or mine or estate; for the collection of the contributions and for the management and safe custody of the fund;

(*b*) for determining the manner of payment of the benefit to the persons entitled to receive it; and

(*c*) for fixing the amount of benefit to be paid under this Act.

Duties and powers of Inspector.

8. The Inspector of Factories or the Chief Inspector of Mines or an Inspector of Mines or an Inspector of Estates shall have and perform the same powers and duties for the purpose of clauses (*a*) and (*b*) of section 3 and section 5 as they have and perform for the purpose of the Indian Factories Act, 1923, and the Assam Labour and Emigration Act, 1901, respectively.

Statement of Objects and Reasons,

The object of this Bill is twofold:—Firstly, it is intended to prohibit the employment of women in those industries the work in which is regulated by law, six weeks after confinement, to enable them to leave work six weeks before confinement and to prevent them from being dismissed from service during the days of their absence from work due to their advanced state of pregnancy and confinement. Secondly, during the period of her absence due to the above-mentioned reasons a woman worker should be provided with financial help sufficient to maintain herself and the child in a healthy condition. The money necessary for this purpose is to be raised by the Local Government by levying contributions upon the industries covered by the Bill in the form of a small cess on the products of the industries or in some other convenient form to be decided by the Local Government. The amount to be given to each woman entitled to receive the

benefit and the manner of payment and other matters connected with the Bill are left to be settled by the Local Governments by rules made by them.

The Bill seeks to carry out some of the proposals contained in the Draft Convention passed at the first International Labour Conference held at Washington in 1919. If India desires to secure her proper place among the civilised nations of the world she cannot plead her inability to treat her women workers in the way in which civilised nations are expected to do. Moreover, there seems to be a natural desire in the country for rapid industrialization. But if Industrialism is to be an unmixed blessing to the working classes, timely provision must be made to avoid and counteract the evils incidental to the introduction of the new system. There is no doubt that if women continue their long and ardous work in factories, mines and other organised industries even in any advanced state of pregnancy and immediately after confinement their health and the health of their children will not fail to suffer.

Provision of maternity benefit during the days of enforced absence is necessary as without such provision, mere prevention of work will be a measure of doubtful utility. It is but fair that the financial burden of the provision of the maternity benefit should fall upon industries that employ women with their natural sex disabilities. Moreover, as only a small proportion of women out of the total number of women employed will be eligible for the maternity benefit during the course of the year, the incidence of the burden will be very small. To prevent women workers from being dismissed some time before they become entitled to the maternity benefit it is necessary that the maternity benefit should be paid out of the general fund and not by individual employers. As the welfare of labour is a Provincial subject it is only proper that the working out of the scheme for the maternity benefit should be left to Local Governments.

BOMBAY,
The 2nd July, 1924.

N. M. JOSHI.

No. T. 459 1st April 1925.

From Chamber to the Government of Bombay General Department.

I am directed to acknowledge the receipt of your letter No. 1066-11211-D, dated 16th March 1925 enclosing a copy of Government Resolution No. 1066 dated 9th March 1925 and accompaniments regarding the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly and to send hereby views of the Committee of this Chamber.

My Committee expressed their views with regard to the Bill when it was referred to them by your letter No. 1066-11211-D, dated 11th November 1924, in their letter No. T. 1501 dated the 22nd December 1924. The Committee sympathise with the object underlying the Bill introduced by Mr. Joshi. They feel that industrialism, if it has to progress satisfactorily, cannot afford to ignore any abuses which may have crept under the system as its evil concomitants. Employment of women may be regarded as one of the necessary evils under the system of industrialism and particularly in the peculier conditions of life to be usually found in modern factories. The evil cannot be eradicated but efforts can be made to whittle down the bad effects proceeding from the evil and to make this employment of women both from the national and individual points of view as harmless as possible.

It may be felt apparently that employment of women during the 6 weeks preceding and 6 weeks following child birth is a very great evil against which provision should be made by the State or the industries concerned. My Committee as aforesaid sympathise with the objects underlying this movement but venture at the same time to point out, as they pointed out in their previous letter, that not a single country which is a member of the International Labour Conference has got as yet any legislation following the convertion passed at the First International Labour Conference held at Washington, 1919. They should also like to re-emphasise that if none of these countries, several of which are industrially more

advanced than India, has up to this time thought it proper to put into effect the Washington Convention with reference to child birth, there is no reason why India should be called upon to undertake legislation with reference to the same. Nor have any arguments been advanced either by the sponsors of the Bill or by any one else as to why it is sought to bring under the influence of the Bill only industries and not agriculture, building trade and other occupations wherein women are employed.

My Committee should also like to draw the attention of the Government to the several practical difficulties which stand in the way of the objects of the Bill being carried out with any measure of success. In the first place, it is not made clear as to how the maternity fund is going to be constituted and Section 7 of the Bill gives rather vague and wide powers to every local Government to make rules for the establishment of the maternity benefit fund, for fixing the amount of contribution to be paid to it, for the collection of contributions and for the management and safe custody of the fund as also for determining the manner of payment of the benefit to persons entitled to receive it. My Committee beg leave to point out emphatically that this very Section 7 is practically a reply to the whole Bill, proving its inefficacious character. All such powers cannot be left to Local Governments without being first considered and determined upon by the Legislative Assembly where the Bill is primarily introduced. It is tantamount to taking away from the Legislature, if my Committee may so put it, their fundamental right of criticism and construction in such an important matter vitally affecting the interests of industries.

It is equally significant of the hap-hazard and slip-shod manner in which the Bill has been drawn that no articles have been provided for any misuse by the employees of the provisions of the Bill counteracting whatever good may have been intended by it. The object of the Bill is obviously to prevent women from continuing "their long and arduous work in factories, mines and other organised industries even in advanced stage of pregnancy and immediately after confinement", This object will undoubtedly be frustrated if women

employees will supplement their dole when in a state of pregnancy or after confinement by taking up outside and extra work which as the Bill has been framed there is nothing to prevent them from doing. Nor will it be a reply to this contention that penal provisions may be introduced in the Bill, for this will only mean that employees, ignorant and illiterate as they are, will be terrorised by designing persons for their own purposes.

Under all these circumstances, my Committee are of opinion that the introduction of such a bill is premature and that any such measure should follow and not precede voluntary efforts made by employees and employers in mutual collaboration for the benefit of the former.

APPENDIX 63

RULES UNDER THE COTTON GINNING AND PRESSING FACTORIES ACT.

No. T. 785 25th June 1925.

From Chamber to the Government of Bombay General Department.

With reference to your letter of the 8th instant, No. 6389-D, I am directed by my Committee to state that the * rules drafted by the Governor-General-in-Council are in accordance with the Cotton Ginning & Pressing Factories Act, but by Committee feel that the compulsory punching of the serial number of each bale on the centre hoop is such a minute direction that in actual practice it may cause great inconvenience to the trade at large and, my Committee apprehend, would lead to considerable confusion and irregularities. My Committee therefore suggest that at the commencement this detail may be omitted in the rules and the marking of the bales may be

* Vide File No. R. 58, 1925.

confined only to the year of the crop and the district and the serial number of the Press in such district being marked on each bale. If this suggestion of my Committee is accepted, my Committee expect that considerable opposition to the rules would disappear and to that extent at least they will be acceptable to the trade as a whole without much substantial opposition. My Committee also beg to add that unless the Central Cotton Committee have got punching machines before October next, Government should postpone putting the rules into operation.

2. There is, however, a certain influential section of the cotton trade which my Committee understand feel that the division of the various cotton districts as devised in the rules should be altered. This section suggests that the cotton districts of India should be divided in accordance with the divisions as mentioned in the various schedules to the East India Cotton Association Bye-Laws. The present division appears to my Committee to be more or less on lines of the revenue district divisions of each Presidency and my Committee whish to send forth this suggestion put forward before them to the Governor-General-in-Council for his serious consideration. My Committee whish to mark their appreciation of the comparative promptness with which the Government of India have been able to issue the draft rules so soon after the passing of the main Act. They are anxious that these rules should be on lines of least resistance by the trade except of course on matters of principles underlying the main Act. They therefore trust that the Governor-General-in-Council would, after the receipt of the various opinions submitted to him, be able to finally decide upon such rules as will be most acceptable to the trade.

14th October 1925.

From Messrs. G. Dossa & Co., Cotton Merchants to Chamber.

We have the honour to address you the following lines with a request to place the matter before the Committee.

Some time back, an act has been passed by the Government of India requiring the cotton factory owners to keep a register of bales pressed in their factories and to sink certain number on iron hoops of the bales.

In this connection, we have to say that it might be useful to keep a register of bales pressed and weekly returns sent to the District authorities for statistical purposes. But we fail to understand what purpose the sinking of number on the iron hoops serves. What an amount of expense and inconvenience it will cause? Special coolies will have to be engaged to attend the machine which sinks numbers on the hoops. How can any one expect regular sinking of English figures on hoops from coolies from whom one can hardly expect the knowledge of vernacular figures? Further, the price of the machine which sinks number on the hoops is exhorbitant.

So far as mere statistics of cotton bales are concerned, the Government could have gathered them from the Railway Companies, from whom very reliable statistics can easily be gathered.

We have therefore to request your Committee through you to move into matter and to request the Government to do away with the number sinking machine.

This matter is very urgent as the act comes into operation this season and if once the press owners have bought the machines, they will have perforce to use them.

No. T. 1457 22nd October 1925.

From Chamber to Messrs. Goculdas Dossa & Co.

With reference to your letter dated 14th instant, I am directed to inform you that my Committee in their representation to the Government on the Rules under the Cotton Ginning and Pressing Factories Act expressly said that the compulsory punching of the serial numbers of each bale on the centre hoop was such a minute

direction that in actual practice it might cause inconvenience to trade at large, and would also lead to considerable confusion and irregularities.

My Committee, therefore, regret they cannot add anything more to what they have clearly represented already. They would like however, to suggest to you to approach the Central Cotton Committee in collaboration with other Cotton Gin and Press owners in this matter

APPENDIX 64.

BILL TO AMEND THE SUCCESSION CERTIFICATE ACT.

No. T-805, 30th June 1925.

From Chamber to the Government of Bombay, General Department.

I find that the Governments of other Provinces have invited the views of various commercial bodies on the Hon'ble Mr. P. C. Sethna's Bill to amend the Succession Certificate Act, 1899. I shall feel obliged if you will kindly let me know if the Bombay Government have been consulted by the Government of India on the subject and if so whether the Government of Bombay have invited the views of commercial bodies.

No. 7616-B, 22nd July 1925.

From the Government of Bombay, Home Department to Chamber.

With reference to your letter No. T. 805, dated the 30th June 1925, on the subject noted above, I am directed to state that the Honourable Mr. P. C. Sethna's Bill to amend the Succession Certi-

ficate Act, 1899, was referred to this Government by the Government of India for opinion and that the opinion called for has already been forwarded to that Government. I am to add that no commercial body was consulted by this Government on this question.

No. T. 1169 31st August 1925.

From Chamber to the Government of Bombay Home Department.

I am directed to acknowledge the receipt of your letter of the 22nd July 1925 No. 7616-B, regarding Succession Bill, Since the receipt of your letter my Committee have found that the following Governments have consulted the local commercial bodies in their own Provinces :—

Government of Madras, Government of Bengal, Government of the United Provinces and Government of Burma.

The proposed Bill is concerned with an important question relating to Insurance business and as such should have been referred to commercial bodies in this Presidency. My Committee regret that it has not been done and hope that in future the Government of Bombay will be pleased to send all such references to the public commercial bodies for their opinion.

APPENDIX 65.

BOMBAY COTTON CONTRACTS ACT 1922.

No. 4331-G/24 7th July 1925.

From the Government of Bombay Revenue Department to Chamber.

Section 1(2) of the Bombay Cotton Contracts Act, 1922, provides that the Act shall remain in force for three years and for such period

thereafter as the Governor in Council may by notification direct. The period of three years expires on 27th December 1925 and the East India Cotton Association, Limited, has proposed that the duration of the Act should be extended by five years. I am directed to request that the Government of Bombay may be favoured with the opinion of your Chamber on this proposal.

No. T. 891 16th July 1925.

From Chamber to the Government of Bombay Revenue Department.

With reference to your letter No. 4331-G/24 dated the 7th instant, I am directed to inform you that my Committee approve of the proposal of the East India Cotton Association Limited to extend the duration of the Bombay Cotton Contracts Act 1922 by five years.

APPENDIX 66.

BILL TO AMEND THE IMPERIAL BANK OF INDIA ACT OF Mr. B. DAS.

A

BILL

Further to amend the Imperial Bank of India Act, XLVII of 1920.

Whereas it is expedient to amend the Imperial Bank of India Act of 1920 for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short Title & Commencement.

1. (1) This Act may be called the Imperial Bank (Amendment) Act 192 ,

10. (2) (c) That from the date of the promulgation of this Act as amended, the total number of European officers shall not at any period exceed the number employed at the time of amalgamation of the Presidency Banks.

(d) That the London Branch shall provide training for at least five Indian graduates from recognised Universities every year.

Amendment of Section 28 (1).

3. In clause (v) of sub-section (1) of section 28 of the Imperial Bank Act 1920, after the words "Central Bank" insert the words "of whom one at least shall be an Indian".

STATEMENT OF OBJECTS AND REASONS.

The Imperial Bank of India Act 1920 was passed with a view to regulate the relations of the Secretary of State with the then Presidency Banks that were amalgamated with the Imperial Bank. This Bank now practically acts as the State Bank of India and enormous Government balances are entrusted to it. It is not unreasonable to ask that Indians might be given wider opportunities in a Bank of this kind. The Act as amended now will remove some of these standing grievances.

CUTTACK,
15th July, 1925.

B. DAS.

No. T. 1234 12th September 1925,

From Chamber to the Government of India Finance Department.

The attention of the Committee of this Chamber has been drawn to a Bill to amend the Imperial Bank of India Act notice for introduction of which has been given by Mr. B. Das. They warmly support the general aim of the Bill which is for Indianisation of the Staff. In particular, my Committee would press strongly for the reform indicated in clause 3 which asks for at least one Indian as Managing Governor of the Imperial Bank.

No. D. 2667-A. 13th September 1925.

From Government of India Finance Department to Chamber.

I am directed to acknowledge the receipt of your letter No. T-1234. dated the 12th September 1925, informing the Government of India that the Committee of the Indian Merchants' Chamber warmly support the general aim of the Bill to amend the Imperial Bank of India Act, 1920, notice for the introduction of which has been given by Mr. B. Das.

APPENDIX 67.

RULES RE FUMIGATION OF AMERICAN COTTON.

No. 1287/138 2nd November 1925.

From the Bombay Millowners' Association to Chamber.

The Committee of the Association understand that the Government of India have under consideration certain proposal for the fumigation of American Cotton imported into India with a view

to prevent the possibility of the Boll Weevil being imported into this country and that a Draft Notification to the effect under the Destructive Insects and Pests Act, 1914 may shortly be expected in the Gazette.

Another feature of the proposal, it is understood, is that the Importer should pay all fumigation charges amounting to Rs. 4-8 per bale. The above charges are made up of as follows :—

Fumigating charges by Government ...	Rs.	1	6	0 per bales.
Contractors' charge for receiving delivery from ship and landing after fumigation	„	1	12	0 „
Dock charges	„	1	6	0 „
	Rs.	4	8	0

My Committee consider that the destruction of the Boll Weevil is primarily a measure for the protection of the agriculturist and that all fumigation charges should therefore be met from general revenues. Moreover if the proposed charges are made payable by the importer the real price of American cotton will necessarily be increased by that amount and the price of Indian Cotton would be accordingly to the detriment of the Indian Textile Industry.

Under the circumstances, my Committee have addressed Government as per letter * enclosed and they consider it desirable that your Committee should also take steps to prevent the Draft Notification from being issued.

No. T. 1595 12th November 1925.

From Chamber to the Millowners' Association.

I am directed to acknowledge receipt of your letter of the 2nd instant, No. 1287/138

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*Not printed ; will be found in file No. R. 112 1925.

My Committee have carefully considered your proposal that "the destruction of the Boll Weevil being primarily a measure for the protection of the agriculturists all fumigation charges should be met from the general revenues." They regret, however, that they are not in a position to support this proposal as they think that it is the importers of this cotton who should be primarily responsible for the payment of all such charges

APPENDIX 68.

PROPOSED AMENDMENTS IN THE CIVIL PROCEDURE CODE.

No. 8641-B, 15th September 1925.

From the Government of Bombay Home Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution, No. 8641, dated this day, on the subject noted above, and to request that you will be so good as to favour Government with the views of the Indian Merchants' Chamber, Bombay—in the matter.

Civil Procedure Code.

Amendment of order XXXVII of the First Schedule to the Code of Civil Procedure. (Negotiable Instruments Act). (Civil Justice Commitee). Government of Bombay Home Department. Resoluti on No. 8641. Bombay Castle, 15th September 1925.

Letter from the Government of India, Home Department No. F.236/[illegible]-16 and III 22/25 Judl, dated the 27th August 1925 :—

"I am directed to refer to the recommendations of the Civil Justice Committee in paragraph 14 of Chapter 15 (Calcutta High Court) of their Report (page 251) namely,

(1) that "the rule should be made clear and plain that under order XXXVII the plaintiff can only recover interest provided for by the document or interest at six per cent. as provided for by the Negotiable Instruments Act, 1881 (XXVI of 1881)"; and that in giving judgment under the Order-the Court has the same power as to *interim* interest and interest on the decree as it would have under the ordinary procedure; and

(2) that all references to that Order should be deleted from the Negotiable Instruments Act (cf. Sections 80 and 117.)

2. From Serial No. 22 (iv) of Part III of the Committee's resume of recommendations and Serial No. 16 of Part I (Report pages 633 and 615) would appear that they intended that their first recommendation should be given effect to by rules made by the High Court, and that the second should be effected by legislation at the earliest convenient opportunity. The wording of the first recommendation in the body of the Report, however, does not exclude the possibility that a legislative amendment of Order XXXVII was contemplated. In any case the amendment proposed in sections 80 and 117 of the Negotiable Instruments Act 1881, will be consequential on the amendment to be made in rule 2(2) of that Order. If the rule is amended by legislation in such a way as to bring it into line with sections 80 and 117 of the Act of 1881, the references to the Order in those sections can be removed at any convenient time, for example, in a general Repealing and Amending Act. But there is no urgency about the removal of those references, because even if the sections remain as they are there will be no conflict of laws once the Order has been brought into line with the Negotiable Instruments Act, and the only result will be that those references will cease to bear any meaning. The first step appears to be to amend rule 2 (2) of the Order, and the Government of India are inclined to think that such amendment should be effected by legislation. Before, however, proceeding further in the matter they would be glad to be favoured with the views of the Governor in Council on the Committee's recommendations.

3. I am to request that with the permission of His Excellency in Council a reply to this letter may be sent as to reach the Government of India not later than the 1st November 1925."

Resolution.—Copies of the foregoing letter from the Government of India should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Bombay and Karachi Bar Associations, the Pleaders' Association of Western India, the Bombay Vakils' Association, the Bombay Incorporated Law Society, the Bombay and Karachi Chambers of Commerce, the Bombay Presidency Trades' Association, the Indian Merchants' Chamber Bombay, the Indian Merchants' Association, Karachi and the Marwari Chamber with a request that they will favour Government with their views in the matter.

2. The opinions called for should reach Government not later than the 15th October 1995.

By order of the Governor in Council,

M. Montgomerie,

Secretary to the Government of Bombay,

Home Department.

No. 8650-B. 28th September 1925.

From the Government of Bombay Home Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 8650, dated this day, on the subject noted above, and to request that you will be so good as to move the Indian Merchants' Chamber.....to favour Government with their views in the matter.

Civil Procedure Code. Section 21 and 39 (1); amendment of—; Recommendation of the Civil Justice Committee.

GOVERNMENT OF BOMBAY.

HOME DEPARTMENT,

Resolution No. 8670.

Bombay Castle, 28th September 1925.

Letter from the Government of India Home Department, No. F. 296/I/27 (XVII)-25-Judl., dated the 31st August 1925.

"I am directed to refer to paragraph 3 of Chapter 31 of the Report of the Civil Justice Committee in which it is recommended that the principle of section 21 of the Code of Civil Procedure, 1908, which restricts the period for objections based on territorial jurisdiction should be extended to execution proceedings. It is further suggested that other kinds of objection regarding jurisdiction in execution cases should also not be recognized unless taken at the earliest possible opportunity in the proceedings in which the order or sale attacked was made.

"2. As regards territorial jurisdiction the Committee observe that the principle of section 21 of the Code has recently been extended by the Madras High Court to execution proceedings. The reference is presumably to the ruling reported in 79 Indian cases, 806, where it has been held that the provisions of section 21 apply to execution cases as much as to original suits. The Government of India are inclined to think that whether section 21 will bear this interpretation or not the Committee's proposals should be given effect to by amending the section.

"3. As to the wider suggestion, it is perhaps only pecuniary jurisdiction which need be considered, as in practice other cases rarely arise. In this connection the Committee remark that in some provinces munsiffs are held to have power to execute decrees beyond their pecuniary jurisdiction. The divergence of practice is presumably due to conflicting rulings of the different High Courts. The Calcutta and Bombay ruling (I. L. R. 16 Calcutta, 457; 37 Calcutta 574; 12 Bombay 155) are clear and emphatic that neither under the Code of 1882 nor under the present Code has any court jurisdic-

tion to execute a decree passed in a suit which it would not have had jurisdiction to try. The Madras High Court (I. L. R. 17 Madras 304) takes the contrary view. The Government of India think that it is desirable to amend the law so as to set at rest this conflict of decisions, and it has been suggested that section 39 (1) of the Code should be amended so as to express more clearly that view that the Court which executes the decree must be a court which would have been competent to make it. Before, however coming to a decision, the Government of India would be glad to be favoured with the views of the Governor in Council on this suggestion as well as on the Committee's recommendations.

"4. I am to request that, with the permission of His Excellency in Council, a reply to this letter may be sent not later than the 1st December 1925."

RESOLUTION.—Copies of the foregoing letter from the Government of India should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Bombay and Karachi Bar Association, the Pleaders' Association of Western India, the Bombay Vakils' Association, the Bombay Incorporated Law Society the Bombay Chamber of Commerce, the Karachi Chamber of Commerce the Bombay Presidency Trades' Association, the Indian Merchants' Chamber Bombay, the Indian Merchants' Association, Karachi, and the Marwari Chamber, Bombay, with a request that they will favour Government with their views in the matter.

2. The High Court and the Court of the Judicial Commissioner of Sind should be requested to consult such selected District Judges as they may think fit.

3. The opinions called for should reach Government not later than the 15th November 1925.

By order of the Governor in Council,

A. MONTGOMERIE,

Secretary to the Government of Bombay,

Home Department.

No. T. 1654 18th November 1925.

From Chamber to the Government of Bombay, Home Department.

I am directed by my Committee to acknowledge receipts of your letters Nos. 8641 B. dated 15th September 1925, 3650 B. dated 23th September 6th October 1925 and 8650 B. dated 4th November 1925 regarding the amendment of order XXXVII of the first schedule to the Civil Procedure Code and amendments in Sections 21 and 31 in the Civil Procedure Code respectively and to send hereby their views on the same.

As regards the amendments in order 37 Rule 2 of the Civil Procedure Code my Committee have no objection to the same, but they are advised that it will restrict the power of the Court to grant interest only in cases where payment of interest is provided by the document sued upon (e. g, a bill of exchange, hundi, promissory note) or at the rate of 6 % as provided by Section 80 of the Negotiable Instruments Act, 1881. Thus the court could not grant interest in a summary suit to the plaintiff who sues for the recovery of a liquidated sum although the plaintiff might be entitled to interest under the provisions of the Interest Act and could recover interest if he had adopted the more expensive procedure and filed the suit as a short cause. It would be penalising a plaintiff who resorts to the summary and cheaper procedure as provided by order 37 Rule 2 and induce parties to resort to the ordinary and the more expensive procedure of filing the suit as a short cause

My Committee hope that the Government will carefully consider the points raised by them before introducing the proposed changes in order 37 Rule 2.

As regards proposed amendments in Sections 21 and 39, my Committee wholly support them.

APPENDIX 69.

PROPOSED AMENDMENT IN THE NEGOTIABLE INSTRUMENTS ACT, 1881.

No. 5701-B. 1st June 1925.

From the Government of Bombay Home Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in this Department, No. 5701, dated the 4th May 1925, together with its accompaniments, and to request that you will be so good as to favour Government with the opinion of your Chamber on the suggestions made in the Resolution passed by the Associated Chambers of Commerce of India & Ceylon at their sixth annual general meeting.

Negotiable Instruments Act, 1881.

Proposal for the amendment of—

GOVERNMENT OF BOMBAY.

HOME DEPARTMENT.

Resolution No. 5701.

Bombay Castle, 4th May 1925.

RESOLUTION.—Copies of the letter from the Government of India in the Department of Commerce, No. 314-C (2), dated the 23rd March 1925, and of its accompaniments should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Advocate General, Bombay, the Solicitor to Government, Bombay, the Remembrancer of Legal Affairs, the Chief Judge, Court of Small Causes, Bombay the Government Pleader, High Court, Bombay, the Government Pleader and Public Prosecutor in Sind and the Principal

Bombay Law School, with a request that they will favour Government with their opinion on the suggestions contained in the Resolution passed by the Associated Chambers of Commerce of India and Ceylon at their sixth annual general meeting.

2. Copies of the letter and of its accompaniments should also be forwarded to the Bombay and Karachi Bar Associations, the Bombay Vakils' Association, the Pleaders' Association of Western India, the Bombay Incorporated Law Society, the European Association Bombay Branch, the Chamber of Commerce, Bombay, the Bombay Presidency Trades' Association, the Chamber of Commerce Karachi, the Indian Merchants' Chamber, the Bombay Presidency Association the European Association, Karachi, the Bombay Shroffs' Association and the Marwari Chamber of Commerce and Mr. Narottam Desai who should also be requested to favour Government with their opinion on the suggestions contained in the Resolution passed by the Associated Chambers of Commerce of India and Ceylon at their sixth annual general meeting.

By order of the Governor in Council,

A MONTGOMERIE,,

Secretary to the Government of Bombay,

Home Department.

No. 314-C (2).

GOVERNMENT OF INDIA,

DEPARTMENT OF COMMERCE.

Delhi, dated the 23rd March 1925.

From—Rai Sahib L. Sen, B A., Assistant Secretary to the Government of India;

To—The Secretary to the Government of Bombay, Revenue Department.

Subject:—Proposal for the amendment of the Negotiable Instruments Act, 1881.

In continuation of the letter from this Department No. 314-C., dated the 7th June 1924, I am directed to forward a copy of a Resolution (together with a copy of the connected discussion and of the judgment of the Bombay High Court referred to therein) passed by the Associated Chambers of Commerce of India and Ceylon at their sixth annual general meeting held in December last, recommending that the Negotiable Instruments Act, 1881, be so amended as to give effect to the ordinary commercial practice of treating bearer drafts, hundies and cheques as negotiable by delivery in all circumstances, irrespective of any endorsements that may be made thereon.

2. I am to say that the Government of India would be glad if His Excellency the Governor in Council will favour them with his views on the proposal, after consulting the mercantile community and such other local bodies as he may think desirable. I am also to ask that the opinion of the Honourable the Judges of the Hight Court may be obtained and forwarded with your reply.

I am to request that a reply to this letter may be sent as early as possible.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) L. SEN,

Assistant Secretary to the Government of India.

THE NEGOTIABLE INSTRUMENTS ACT, 1881.

(15th December 1924: The President in the Chair.)

12-15 a. m.

Mr L. S. Hudson (*Bombay*):—Mr. President and Gentlemen,—The resolution that the Bombay Chamber have delegated me to propose, reads—

That having regard to the decision delivered on the 18th August 1924 by the Appeal Bench of the Bombay Hight Court, this Association requests the Government of India to take immediate steps to get the Negotiable Instruments Act, 1881, amended by the Legislature in such a manner that it will give effect to the ordinary commercial practice of treating bearer drafts, hundies and cheques as negotiable by delivery in all circumstances irrespective of any endorsements that may be made thereon.

I do not intend to speak for long on this resolution, firstly because the resolution is more or less self-explanatory and secondly because I expect that when the Bombay Hight Court Judgment became known all of you who have to do with drafts, cheques and hundies studied the matter for yourselves and now know more about it than I do. Some explanation, howevsr, is necessary if only to accompany the resolution when it is forwarded to the Government of India, as I hope it will be, with the unanimous support of the Associated Chambers.

The ordinary commercial practice, as is stated in the resolution is to treat bearer drafts, hundies and cheques as negotiable by delivery in all circumstances irrespective of any endorsements that may be made thereon. This practice is in accordance with the law in England and I understand that bankers who have received their training in the United Kingdom have always been taught accordingly that is to say a cheque or other negotiable instrument which is originally made payable to bearer always remains payable to bearer and may safely be cashed on delivery without reference to anything that is written on the back of it. A search has been made of the case law to see whether there is any English case to this effect but so far as I know none has been found. The probable reason for this is that the law as expressed in section 8(3) of the English Bills of Exchange Act, 1882, is too clear to call for any dispute in Courts. That sub-section reads "A bill is payable to bearer which is expressed to be so payable or on which the only or last endorsement is an endorsement in blank." The sub-section is reproduced in explanation (2) of section 13 of the Indian Negotiable Instruments Act, as amended by Act VIII of 1919.

The Negotiable Instruments Act was based upon the corresponding English law i.e., the Bills of Exchange Act, and as this sub-section was reprodnced in the Negotiable Instruments Act, I think it is clear that it was the intention of the framers of the Indian Act that the English custom should be embodied in Indian law. I wish to lay stress on this point because my Chamber want it to be plain that they are asking, not for any radical change in the law, but for the practice of years past to be made explicitly legal and still further they want it to be clearly understood that this practice is not a malpractice or a technical evasion of the law but is a practice that was recognised by the Legislature when the Act was passed.

The judgment of the Bombay High Court which is to the effect that "bearer" instruments may by endorsement be made into "order" instruments--was based on another section of the Negotiable Instruments Act, section 50, or rather, to be more precise on a certain explanation appended to that section. This section, with its explanations, is somewhat lengthy and I will not trouble you by quoting it, but while my Chamber do not dispute the High Court's interpretation of the Act they do believe that the illustrations to section 50 have crept in by mistake and misrepresent the general intention of the Act. This opinion is reinforced by a reference to section 54 which simply states that a negotiable instrument originally payable to order may be made payable to bearer. If the converse had also been intended, that is, if it had been intended that an instrument originally made payable to bearer could be made payable to order, then it would appear that a section to this effect would also have been included in the Act. But one has not and, instead, this disturbing and important ruling is based solely on an illustration to a section.

So much for the technical side of the question, which is, after all, a minor matter. Whatever the Act may say and whatever its framers may have intended, the really important issue is that a well established practice has been disturbed and it ought to be reinstated. That the practice is a good one which should be legalied is, I think, sufficiently proved by the fact that it has always been in

vogue in the United Kingdom and in India and no one has ever raised any objection against it. I do not think therefore that I need say any more to justify my Chamber's request.

I would like, however, to add a few remarks regarding the urgency of this question. It is known that the Statute Law Revision Committee are working on the revision of the Negotiable Instruments Act and that they have suggested the consolidation of the Indian Act on the lines of the English Act; and a letter has been circulated by Government inviting opinions of the various proposals of this Committee. The Bombay Chamber, and I expect other Chambers as well have included in their reply a strong recommendation that the law should be amended in accordance with the resolution I am now proposing and it may be thought in certain quarters that this is sufficient and that the matter can be left to the Statute Law Revision Committee and can await their recommendations. In fact I am very much afraid that when this resolution is officially received at Delhi the Secretary to Government who answers the Associated Chambers will find a ready reply in saying that the matter is under the consideration of the Statute Law Revision Committee and will be dealt with by that Committee in due course. But my Chamber submit that the subject of this resolution is not a matter to be dealt with "in due course." No one knows when the Statute Law Revision Committee will complete their labours over the Negotiable Instruments Act. It can hardly be this year, it may be next year, it may be a long time. Whereas this matter of bearer cheques and hundies is one that requires immediate attention, and if this resolution is now supported by the other Chambers of this Association then my Chamber hope that the Government of India will take action immediately and not wait for the Statute Law Revision Committee.

Mr. J. B. Crichton (Bengal):—Mr. President and Gentleman,—I beg to support the resolution on behalf of the Bengal Chamber. The matter has been very clearly put by Mr. Hudson. But there is one point and that is that the ordinary holder of a bearer cheque may well say, "In the past I have had the protection of this clause

even if I lost the cheque. Now you wish to take this protection away. I can not agree. I must have some protection against such a hazard". That is certain to be an argument brought forward when, as we hope, the matter is raised in the Legislative Assembly; and I wish simply to add that it is perfectly clear that at the present time there are in existence sufficient means whereby the holder of a bearer cheque may by a general or special crossing protect his interest as absolutely as in the case of an order cheque. The Bengal Chamber in addressing Government on this subject have asked that care be taken that the amendment be so drafted as to leave no shadow of doubt that a cheque drawn payable to "John Smith or bearer" may be treated as payable to bearer.

The Hon. Sir Basil Blackett:—Mr. President and Gentlemen:—This is a somewhat technical matter of banking law and practice on which I am not competent to express a first hand view. I have examined the position with considerable care since notice was given of this resolution; and I think that mover was correct in saying that the English Banking practice is to disregard the endorsement of cheques payable to bearer. I am not quite clear, however, that that is necessarily the English law, and that is a matter which will obviously necessitate very careful inquiry before we proceed with any suggestion for change in that it is generally desirable that the Indian law on this subject should follow the British law.

There is also a further point which I am quite sure is not in dispute that the holder of a bearer cheque can convert it into an order cheque by endorsing on the face of it by altering the word "bearer" to "order." He has therefore apparently the power to make a bearer cheque more safe by an alteration on the face of it. I do not know if that is correct or not but that is the information that is given to me. Beyond that I think all I can say now is that the matter is receiving and will receive careful attention, and if we find it desirable to propose a change in the law we shall be prepared to do so without waiting for the action of the Statute Law Revision Committee, and we will see that there is no unnecessary delay by mixing this particular question up with the general question.

Mr. L. S. Hudson:—I should like to thank Sir Basil Blackett for his remarks. I rather think, however, that the holder of a bearer cheque altering the word "bearer" to "order" might possibly find himself in trouble as banks sometimes require the initials of the drawer of that cheque against the alteration.

The main difficulty in Bombay is in regard to hundies or drafts and is all the more pronounced owing to the extent to which they pass from hand to hand, each time gathering an endorsement in the vernacular. The interests of the holder of a bearer cheque can no doubt ordinarily be protected by the simple device of crossing it and it is of course legal to do so but the law, I think makes no provision for the crossings of hundies and drafts and therefore such a procedure afford no legal protection in the case of documents of that description. I am sure however, that we are grateful to Honourable Finance Member for the assurance that that matter will be taken up and disposed of separately as soon as possible.

The resolution was then put to the meeting and, on a show of hands being taken, was declared carried unanimously.

CIVIL APPLICATION No. 289 of 1923.

Under Extraordinary Jurisdiction.

Forbes, Forbes, Campbell & Co., Ltd., (Original Defendants). Applicants

versus

The Official Assignee, of the property of Raoji Nanchand adjudicated insolvent, having his office in Fort, Bombay (Original Plaintiff) ... ... Opponent

Application praying for the reversal of the decree passed by full Court of the Court of Small Causes at Bombay in suit No. 17620/18636 of 1922.

Counsel Mr. Campbell instructed by Messrs. Crawford Bayley & Co., for the applicants.

Mr. P. B. Shingne for the opponent.

Judgement :—This is an application under section 115 Civil Procedure Code. It arises out of a suit filed by the Official Assignee, in whom the estate of Raoji Nanchand, who was adjudicated an insolvent, was vested, in respect of a hundi. The hundi in question was drawn in favour of one Ramdas Keshavji or bearer on Forbes, Forbes, Campbell & Co., Ltd. That hundi was indorsed on the book as " sold by Ramdas Keshavji to Raoji Nanchand ". We are not concerned with the indorsement on the face of the hundi at the top. The hundi was presented by the Munim of one Madhavdas Keshavji to Forbes, Forbes, Campbell & Co., Ltd. It was treated as a hundi payable to bearer and the money was paid to Madhavdas Keshavji's Munim. This Madhavdas Keshavji was third person in whose favour there is no indorsement on the hundi. The official Assignee claimed the amount of this hundi as belonging to the insolvent Raoji Nanchand. The learned Chief Judge of the Small Cause Court, Bombay, who heard the suit, passed a decree in favour of the plaintiff, holding that by the last indorsement, which was not an indorsement in blank but an indorsement in full, the hundi ceased to be payable to the bearer, and that at the time of the presentation it was payable in law only to Raoji Nanji or his order. There was an application to the Full Court, and the Full Court also came to the same conclusion and discharged the Rule which was granted by that Court.

An application was made to that Court to make a reference to this Court under section 69 of the Presidency Small Cause Courts Act ; but the learned Judges constituting the Full Court apparently did not entertain any reasonable doubt as to the point and decided it against the defendants.

The defendants have now applied to this Court under our Extraordinary Jurisdiction, and have also prayed in the alternative that this application may be treated as an application under section 45 of the Specific Relief Act for directing the Full Court to refer the case to this Court under section 69 of the Presidency Small Cause Courts Act. The alternative under section 45 of the Specific Relief Act would have to be made, not to this Court, but to the Court on the

Original Side, and I do not desire to say anything as to whether an application under section 45 of the Specific Relief Act could properly be made in a case of this kind.

We have to consider this application as falling under section 115, of the Code. The first difficulty under that section is whether the point arising in the application is of such a nature as to bring it within the scope of section 115. The question involved is purely one of law. It depends upon the interpretation of the provisions of Negotiable Instruments Act; and I am by no means satisfied that the case falls within this scope of section 115 having regard to the importance of the point involved in the case and to the fact that it depends entirely upon the interpretation of the sections of the Negotiable Instruments Act, we have heard the parties on the point without expressing any final opinion as to whether a point such as is involved in this case can be entertained under section 115 or not, we consider it desirable under the circumstances to decide the point on the merits.

The argument on behalf of defendants is that under section 82, Clause (c) of the Negotiable Instruments Act, the defendants are discharged if the instrument is payable to bearer, or has been indorsed in blank, and if the accepter makes payment in due course of the amount due thereon. In the present case it is urged that the amount has been paid in due course, that the instrument was payable to bearer in the first instance and continued to be payable to bearer in the first instance. The hundi was drawn in favour of Ramdas Keshavji or bearer. In the trial Court before the Full Court apparently reliance had been placed upon explanation (ii) to section 13 as now amended by Act 5 of 1919, as indicating that the real character of the instrument was determined by the only or last indorsement on the instrument. In the present case the last and the only indorsement is not in blank. Section 13, however, defines what a "negotiable instrument" is and it is clear that the hundi in question as drawn was a negotiable instrument, within the meaning of the section, and continued, to be negotiable after the indorsement in question according to explanation (i) of section 13 as amended in 1919.

The contention on behalf of the defendants is that if it is once a negotiable instrument payable to bearer, by no subsequent indorsement its character of being payable to bearer can be altered. In support of this proposition no express authority has been cited. But reference has been made to section 54 of the Negotiable Instruments Act as indicating that if the Legislature thought that such alteration in the nature of the instrument can be effected. the Legislature would have made express provision to that effect, as is done with reference to cheques payable to order. It is further urged that section 50 of the Negotiable Instruments Act refers only to negotiable instruments which are in the first instance made payable to order.

Section 50 of the Act appears to me to afford a complete answer to these contentions. There is nothing in the words of the section to justify the contention that it is limited to negotiable instruments payable to order. It applies to any negotiable instrument whether it is payable in the first instance to order or to bearer, and in fact the illustrations to the section make it clear that indorsement made on instruments payable to bearer can have a restrictive effect upon its negotiability. The learned Counsel realising the effect of these illustrations, has argued that the illustrations are really outside the scope of the sections, and must be rejected as being repugnant to the section. I am quite unable to accept this argument. The illustrations do not appear to be at all repugnant to the words of the section, and they fall within the scope of the section. Illustration (*a*) to section 50 makes it clear that the character of the instrument before us, which was payable to bearer in the first instance as has been altered by the only indorsement in the present case in this sense that thereafter it became negotiable at the instance of Raoji Nanchand.

We are not concerned with the question whether it would be payable to Raoji Nanchand or his order, though under section 13 explanation (i) it would be payable to his order. It is not the defendants' case that the money was paid to Raoji Nanchand's order. The character of the instrument, which was payable to bearer in the first instance, has been effectively altered by the subsequent indorsement,

and under section 50 of the Negotiable Instruments Act it can be so altered, The conclusion reached by the trial Court and the Full Court is right. We discharge the Rule with costs.

18th August 1924.

(Sd.) L. A. SHAH.

(Sd.) C. A. KINCAID.

No. T. 912 21st July 1925.

From Chamber to the Government of Bombay, Home Department.

I am directed by my Committee to reply to your letter No. 5701-B., dated the 1st June 1925, on the above subject.

My Committee approve of the amendment proposed by the Associated Chambers of Commerce in the Negotiable Instruments Act so far as it relates to cheques and drafts. My Committee are still considering this question so far as it relates to Hundis and their opinion on this point will be communicated to you shortly.

No T. 1069 14th August 1925

From Chamber to the Government of Bombay, Home Department.

In continuation of my letter No. T-912, dated the 21st July 1925, I am directed by my Committee to send hereby their views on the above proposal in so far as it relates to Hundies.

2. It is sought to amend the Negotiable Instruments Act in such a manner as to make hundies amongst others payable to the presentor thereof or to bearer irrespective of any endorsements that may be made on the said hundi by subsequent parties. This step is suggested at the instance of the Associated Chambers of Commerce, who, at their meeting in December 1924, passed a resolution requesting "the Government of India to take immediate steps to get the

Negotiable Instruments Act, 1881 amended by the legislature in such a manner that it will give effect to the ordinary commercial practice of treating bearer drafts, hundies, and cheques as negotiable by delivery in all circumstances irrespective of any endorsements that may be made thereon. It is to be noted that the relief sought is regarding bearer drafts, hundies and cheques. It is not clear whether the Associated Chambers of Commerce want this restricted to only such hundies as may be drawn payable to bearer, or to hundies of every description. The Committee of this Chamber have no objection to the change that is sought to be made applying to bearer drafts and bearer cheques, where a draft or a cheque is so drawn and accepted by the other party, and such party accepts the document with open eyes and is aware of the risk involved.

3. The question regarding hundies is a little more complicated. Where a hundi is made payable to the presentor thereof, or to bearer there is no objection to the suggested amendment of the Negotiable Instruments Act applying to such hundies. But there are also hundies which are drawn worded as follows :—

> "Received from A,B, payable 'Shaha-jog' –*i.e.* to a Shah—meaning a sound party, after making sure of the place of business of such party and taking other precautions."

The bulk or many of the members of this Chamber have to deal with hundies drawn in the manner referred to above and it is not clear from the speech of Mr. (now Sir) L. S. Hudson, at the meeting of the Associated Chambers of Commerce, on the 15th December 1924, whether the said body advocated the suggested amendment of the Negotiable Instruments Act to apply to such hundies also. My Committee, therefore, await information on this score from Government before they can fully express their opinion regarding this reference to them. But in the meanwhile my Committee agree that even Shaha-jog hundies may be declared negotiable by delivery irrespective of any endorsements that may be made thereon provided the sanctity of the "Shaha-jog" is preserved.

4. My Committee would like to point out to Government that with a bearer cheque there always exists the additional protection

available to the drawer or the drawee against its miscarriage by means of crossing the same. When a bearer cheque is crossed there is at least this protection that in case of an enquiry being necessary as to how and by whom the proceeds of the cheque were drawn, the books of the bank through which it may be ultimately cleared are available. Unfortunately no such facilities recognised by law exist with regard to a hundi, and my Committee therefore, feel that any legislation in connection with hundies, should only be taken with the utmost caution, if the Indian commercial community in general and the Indian shroffs in particular are not to be suddenly upset in their present customary practices and facilities.

5. The commercial community in Bombay are aware of the various devices practised by unscrupulous persons in the past in connection with hundies transmitted through the post. In exceptional cases only are hundies sent by registered post, and if by any legislation such a precaution becomes necessary it is hardly difficult to realise how expensive and prohibitive the method of financing by hundies would be. Registered packets are not received by the Post Office all the twentyfour hours of the day, nor are registered packets delivered so promptly as ordinary letters or on all days of a week. My Committee would, therefore, be very reluctant, to see Government make any effort to add to the cost of the present financial facilities enjoyed by the Indian commercial community regarding dealings in hundies. If the Associated Chambers of Commerce intended the proposed amendment to apply to all hundies, my Committee very strongly oppose such amendment of the present Act. If they intend their suggestion to apply only to the hundies made payable to bearer, my Committee take it that hundies drawn as stated above in para (3) should have the same protection as was awarded by the Bombay High Court in Civil Application No. 289 of 1923, referred to in the papers covered by G. R. No. 5701 dated 4th May 1925.

6. My Committee realise that the suggestion made by the Associated Chambers of Commerce would considerably simplify matters for persons who have to make payments against hundies.

They however, feel that it is one of the duties of the legislature to see that whilst they give facilities to one party to a document or intrument, the same should not be at the sacrifice of the genuine interest of the other party, and my Committee feel that in the matter of hundies, the interests of the Indian shroff and the Indian business community in general who have to make or receive remittances by hundies are seriously jeopardised. They, therefore, cannot believe that Government can undertake such legislation without giving the matter their serious consideration.

7. It may be contended that by thus increasing the risk connected with hundies the masses in India would be forced to use Banks. My Committee would be prepared to support every reasonable effort made to popularise the habit of every body resorting to banks for purposes of transmission of money. The country at the moment is most inadequately supplied with such banking institutions and it will be a mistake to pass any legislation which will force people to greater use of banks, without the necessary banking institutions being provided throughout the country to cater for the needs for the masses generally. To name only one great desideratum in this connection, very few banks indeed in the country accept vernacular signatures on cheques, and the percentage of the population able to read and write English is extremely small at the moment. Until, therefore, even an institution of the nature of the Imperial Bank can see its way to honour cheques drawn in the vernacular of the district in which it may be working it would be proposterous to think of a piece of legislation which would handicap the system of remitting money by hundies which has grown up with the usage, custom and experience of so many decades.

8. On all the grounds mentioned above my Committee feel that they would await further information in connection with the points mentioned in para (3) above and they would strongly urge Government not to hasten legislation in this matter, at least as far as hundies are concerned.

9. Pending receipt of information, my Committee have asked

for above, they summarise their suggestions and recommendations hereby :—

(a) They agree with the proposed amendment re bearer cheques and bearer drafts ;

(b) They agree with the suggestion to make 'Dekhadnar-jog' (payable to the presentor) and 'Shah-jog' (payable to a shah i.e. to a responsible and respectable person) hundies negotiable by delivery irrespective of any endorsements but the sanctity of the word "Shah-jog' as defined in the Judgment of Justice Arnauld in 1869 should be preserved (Vide Daulatram Shriram vs. Bulakhidas Khemchand (1869) 6 Bombay H. C. R. 24). It should be provided for 'Dekhadnar-jog' hundies that any instruction printed, written or impressed by a rubber stamp about payment at its destination to a particular firm or a particular address should not be ignored or neglected.

APPENDIX 70

PROPOSED AMENDMENTS IN THE INDIAN LIMITATION ACT.

No. 8545-B. 15th September 1925.

From the Government of Bombay, Home Department to Chamber.

I am directed by the Government in Council to forward herewith a copy of Government Resolution No. 8545, dated this day, on the subject noted above, and to request that you will be so good as to favour Government with the views of the Indian Merchants' Chamber in the matter.

Indian Limitation Act, 1908. Amendments; Recommendations of the Civil Justice Committee.

GOVERNMENT OF BOMBAY.

HOME DEPARTMENT.

Bombay Castle 15th September 1925.

RESOLUTION.

Copies of the accompanying letter from the Government of India, Home Department No. F.. 296/I-37/25-Judl., dated the 6th August 1925, should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Bombay and Karachi Bar Associations, the Bombay Pleaders' Association of Western India, The Bombay Vakils' Association, the Bombay Incorporated Law Society, the Bombay Chamber of Commerce, the Karachi Chamber of Commerce, the Bombay Presidency Trades' Association, the Indian Merchants' Chamber the Indian Merchants' Association, Karachi, and the Secretary, the Marwadi Chamber, with a request that they will favour Government with their views in the matter.

2. The High Court and the Court of the Judicial Commissioner of Sind should be requested to consult such selected District Judges as they may think fit.

No. F. 296/L.-37/25-Judl.

GOVERNMENT OF INDIA.

HOME DEPARTMENT.

From

T. SLOAN, Esq., I.C.S.,

Deputy Secretary to the Government of India,

To

All LOCAL GOVERNMENTS and ADMINISTRATIONS, and the REGISTRAR, HIGH COURT of CALCUTTA.

Simla, the 6th August 1925.

Subject.—Report of the Civil Justice Committee: Amendment of the Indian Limitation Act, 1908.

Sir,

The Civil Justice Committee in Chapter 41 of their report have made certain recommendations for the amendment of the Indian Limitation Act, 1908 (IX of 1908), in regard to which I am directed to address you. The amendments proposed in article 9 of Schedule I are being considered separately in connection with the correspondence commencing with Home Department letter No. F. 461-24, dated 29th September 1924, while those suggested in article 85, 133 and 134 of the same schedule have also been reserved for separate consideration. These amendments are therefore excluded from the present reference. The remaining proposals as explained below, are herewith referred for

the views of the Governor in Council
your views
the views of the Hon'ble Chief Justice and Judges

2. Section 14.—Two suggestions for the amendment of this section are made:—

(i) that provision should be made to permit of the exclusion of time in favour not only of a plaintiff who has been

prosecuting but also of a defendant who has been resisting with due diligence another civil proceeding, according to the principle of the decision of the Privy Council reported in I. L. R. 43, Calcutta 660; and

(*ii*) that some such words as "where the matter in issue is the same" should be substituted for the words "where the proceeding is founded upon the same cause of action".

The first of these two proposals appears to the Government of India to involve a definite alteration of the law, since it is doubtful whether the ruling in the case quoted can be regarded as supporting the doctrine that under certain circumstances the time during which a party is diligently defending a suit can be deducted in calculating the period of limitation for the purpose of a subsequent suit. In that case the High Court refused to consider whether section 14 of Act XV of 1877 (which is the same as section 14 of the present Act) covered the case, for the reason that it considered the appellants entitled to succeed on other grounds, and indeed it expressed grave doubts as to the applicability of section 14 at all. In their decision on appeal from that judgment, the Privy Council did not in terms refer to that section, and the only part of the judgment from which it can be deduced that their Lordships based their decision on section 14 is the following sentence—"admittedly, if the period during which the plaintiffs were litigating for their rights is deducted, their present suit is in time." Even if it be held that, that sentence formed the *ratio decidendi* in this appeal, it is still necessary to observe that the defendants in that somewhat peculiar case were virtually in the position of plaintiffs, and that the ruling can hardly be interpreted as meaning that any diligent defendant is entitled to deduct the period spent in previous litigation.

The words which the Committee in their second proposal recommend to be substituted for certain words of the section have a wider application than the Committee possibly intended and

the Governor in council
you
the Hon'ble C. J. and Judges

will no doubt consider whether, if the

principle of the proposal be accepted, the words should not be qualified by the inclusion of some such words as "directly and substantially" before the words "in issue".

3. *Sections 19 and 20.*—The Committee make the three following proposals for the amendment of these sections :—

(*i*) to amend sub-section (2) of section 19 so as to provide that no acknowledgment which is not dated in writing shall operate to save the bar of limitation;

(*ii*) to amend the proviso to sub-section (1) of section 20 so as to make the payment of interest subject to the condition which governs part-payment of the principal, that the fact of payment should appear in the handwriting of the person making the payment;

(*iii*) to amend both sections so as to make it clear that—

(*a*) limited owners under Hindu law, and

(*b*) the *karta* or manager of a joint Hindu family

are empowered to make acknowledgments and payments so as to attract the provisions of the sections.

Provisions for the amendment of these sections were included in a Bill introduced in the Legislative Assembly in 1923 by Lala Girdhari Lal, which was circulated for opinion with the Legislative Department letter No. 5382-4 A.C, dated 10th July 1923. Nos. (i) and (ii) of the Committee's proposals were covered by the provisions of that Bill. The opinions received by the Government of India were on the whole in favour of proposal No. (ii), but devided on proposal No. (i). Proposal No. (iii) was not covered by the Bill and is intended mainly to clarify the existing law.

4 *Article 47 of Schedule I.*—The Committee propose that the period of limitation under this article should be reduced from 3 years to 1 year. Probably the most important reason for prompt final disposal of cases covered by this article is that so long as they

remain unsettled there is often great danger of a breach of the peace.

5, *Articles 92, 93, 95 and 96 of Schedule I.*—As in the case of article 47 the proposal is to reduce the period of limitation from 3 years to 1 year. The arguments for the amendment of these articles are sufficiently explained in paragraph 10 of Chapter 41 of the report. In considering them the $\frac{\text{Governor in Council}}{\text{you}}$ / the Hon'ble C. J. and Judges will no doubt bear in mind the fact that the Indian law is already on this point more stringent than the English law, under which the period of limitation is fixed at six years.

6. *Article 109 of Schedule I.*—The Committee have expressed their proposal in so condensed a form that it is somewhat difficult to understand. The type of case which they appear to have had in mind can best be illustrated by an example "A" is in possession of salt beds under a *bona fide* claim of right in 1916, 1917, 1918 and 1919. On January 1st, 1920, his possession is declared by a court to be wrongful and "B" is put in possession. On 1st January 1921 "B" brings a suit for meane profits. Under the present law "B" can only recover profits for the years 1918 and 1919, and even if the salt gathered and accumulated in 1916 and 1917 has only been released by the Salt Department after January 1st, 1918, "B" will not be entitled to mesne profit in respect of that salt. The amendment proposed by the Committee would give "B" a right of suit for the value of the produce of 1916 and 1917, on the ground that it was not converted by "A" to his use until after January 1st, 1918, that is, within 3 years of the suit.

It has been suggested that the law as it stands is clear, and that amendment of the kind suggested could hardly fail to make for ambiguity and would let in a great deal of troublesome evidence. It has also been suggested that there are no adequate grounds for distinguishing between profits in kind and profits in cash; and

that it would be unreasonable to allow a plaintiff to go beyond the ordinary period of 3 years, merely because the defendant has accumulated the produce of previous years instead of converting it into cash. Furthermore, the distinction which the Committee make between the expression "when the profits are received" and the expression "When the profits are appropriated" is not one that is easily appreciated. The Governor in Council / you / the Hon'ble C. J. and Judges will no doubt take these points into consideration when forming his / your / their opinion on the Committee's proposal.

7, *Article 113.*—The proposal is to reduce the period of limitation from 3 years to 2 years, in cases in which a time for performance has been fixed, and in other cases to 1 year from the date on which the plaintiff had notice of refusal. The proposal raises a question of great difficulty. The Committee's object is clear, namely, to counteract the tendency of courts to grant specific relief so long as it is applied for within the period of limitation, whether there has or has not been undue delay in making the application, unless such delay can be held to have prejudiced the opposite party. The object which the Committee have in view is undoubtedly one desirable to attain. It is, however, at least doubtful whether the Committee's proposal is likely to achieve it. The mere alteration of the period of limitation will afford the Courts no guidance as to the exercise of their discretion in cases where the suit is brought within the period of limitation and laches is pleaded by the defendants, though the change may reduce the number of cases in which laches can be pleaded with any reasonable prospect of success. It is also for consideration whether the restriction proposed by the Committee may not have the effect of fostering the very tendency which they deprecate, since the shorter the period of limitation the more limited the discretion which the courts are likely to exercise. In this connection attention may be drawn to the recommendation of the Committee in Chapter 35 of their report, that the equitable doctrine of part performance should be abolished. Some

hardship would admittedly result from such a change in the law and it is for consideration whether that hardship ought to be enhanced by a simultaneous shortening of the period of limitation for suits for specific performance.

8. *Article 123.*—The Committee propose that in all cases in which the amount of maintenance has not been fixed, arrears should be claimable for a period of 3 years only, the present period of 12 years being left to operate in all cases in which the rate or amount of maintenance has been definitely fixed. While there is no doubt force in the arguments put forward by the Committee in support of this amendment, it has been suggested that the plaintiffs in such suits are ordinarily women, who often have no male relation to assist them in initiating litigation, and are thus likely to be put off by the promises of those from whom maintenance is due and to postpone the institution of a suit until it has become evident that the arrears cannot be recovered in any other way. One effect of the amendment may therefore be to bar a considerable number of really deserving claims.

9. *Article 132.*—The proposal is to amend this article so as to make it clear that a suit to recover the value of produce charged on immovable property comes within the article. The case referred to by the Committee is reported in I. L. R. 42, Calcutta 625, and it has been suggested that in view of the Full Bench decision of the Calcutta High Court it is doubtful whether there remains any ambiguity which would make the amendment of the article desirable.

10. *Article 166.*—The Committee propose to amend the article so as to make it clear that it applies to a petition by a judgment debtor under section 47 of the Code of Civil Procedure. The Committee have quoted no rulings in support of their observation that there is a difference of opinion whether the article applies to such a petition, and it has been suggested that there is no ambiguity in the article as it stands and therefore no real need for amendment. In this connection, however, reference is invited to I. L. R. 47 M., page 535.

11. In conclusion I am to say that the Government of India will be glad if a reply to this letter can be sent so as to reach them not later than 31st December 1925.

I have the honour to be,

SIR,

Your most obedient Servant,

(Sd.) T. SLOAN,

Deputy Secretary to the Government of India.

No. 1655 18th September 1925.

From Chamber to the Government of Bombay Home Department.

I am directed by the Committee of this Chamber in reply to your letter No. 8545 B dated 15/21 September 1925 to send hereby their views on the proposed amendments in the Indian Limitation Act, 1908.

My Committee have no objection to the proposed amendments in Section 14, but they are strongly opposed to the amendments in Sections 19 and 20.

As regards amendments in articles 47, 92, 93, 95, 96, 109, 113 and 128 of the Schedule 1, my Committee are of opinion that the period of limitation in India is much shorter (in most cases about half) than in England where the people are all educated and alive to their rights. As the bulk of the people in this country are ignorant and illiterate and very poor, the existing period of limitation is none too long, and they think that it should not be further curtailed,

My Committee approve of the suggestion re amendment in article 132.

APPENDIX 71.

THE BILL TO AUTHORIZE THE EXPULSION OF NON-BURMAN OFFENDERS FROM BURMA.

No. T 1451 21st October 1925.

From Chamber to the Government of India Home Department.

The attention of the Committee of this Chamber has been drawn to a piece of legislation passed by the Burma Legislative Council styled "Expulsion of Non-Burmans' Bill". It has been contended plausibly that the Bill aims at deporting only proved criminals from Burma but as a matter of fact it is intended to drive out Indians under one pretext or another from that Province. The iniquitous principle of expulsion of Indians from Self-Governing Colonies of the British Empire appears to have been extended indirectly to a portion of India itself and my Committee feel apprehensive that Sir Adam Ritchie was justified in observing that the Bill would set up a deal of racial feeling. Rightly or wrongly the impression is created that the Bill is intended to be used against the Indian Community and will lead to disastrous results, if it is not vetoed in time. Burma is an integral part of India and Indians have done not a little in developing that Province. Looking to these facts and the intensly bitter feelings the Bill has aroused not only in the Indian Community in Burma but also in all the Provinces in this country, my Committee hope that His Excellency the Viceroy will be pleased not to give his assent to the Bill even though it is passed by the Burma Council.

APPENDIX 72.

A BILL TO REGULATE AND CONTROL CERTAIN CONTRACTS FOR THE PURCHASE AND SALE OF SECURITIES IN THE CITY OF BOMBAY.

No. 2902-A, 29th September 1925.

From the Government of Bombay Finance Department to Chamber.

I am directed by the Governor in Council to send herewith a copy of a draft Bill, which it is intended to introduce in the October sessions of the Legislative Council, taking power to control the making of rules for the administration of "futures" dealings in stocks and shares. I am to request that Government may be favoured with the opinion of your Chamber at a very early date.

Bill No. of 192 .

A Bill to regulate and control certain contracts for the purchase and sale of securities in the City of Bombay.

Whereas it is expedient to regulate and control certain contracts for the purchase and sale of securities in the City of Bombay in manner hereinafter appearing; And whereas the previous sanction of the Governor General required by section 80A (3) of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows:—

Short Title.

1. This Act may be called the Bombay Securities Contracts Contral Act, 192 .

Extent and operation.

2. (1) This Act shall apply to the City of Bombay only.

(2) It shall come into operation from such date as the Governor in Council may, by notification in the Bombay Government Gazette, appoint.

3. In this Act unless there is something repugnant in the subject or context,

(1) "Securities" includes stocks, shares, bonds, debentures, debenture stock and any other instruments of a like nature.

(2) "Stock Exchange" means any association, organisation or body of individuals, whether incorporated or not, established for the purpose of assisting regulating and controlling business in buying, selling and dealing in stocks, shares, bonds, debentures, debenture stock and any other like securities.

(3) "Ready delivery contract" means a contract for the purchase or sale or securities for performance of which no time is specified and which is to be performed immediately or within a reasonable time.

Explanation. The question what is a reasonable time is in each particular case a question of fact.

4. (1) A Stock Exchange may, subject to the sanction of the Rules. Governor in Council, make rules for the regulation and control of all transactions in securities (other than ready delivery contract).

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for,—

(a) the government of the stock-exchange by a governing body and the constitution of such governing body ;

(b) the powers and duties of the governing body and the manner in which its business shall be transacted ;

(c) the fixing of a scale of charges ;

(*d*) the making, settling and closing of bargains;

(*e*) the exercise of emergency powers in the case of corners;

(*f*) the regulation of dealings by numbers for their own account; and

(*g*) the settlement of disputes arising between members and the punishment of defaulting members.

(3) The Governor in Council may refuse to sanction any or all the rules made by a stock-exchange and may, from time to time, add to, amend, vary or rescind the rules made by a Stock Exchange and sanctioned by the Governor in Council.

(4) Rules made by a Stock Exchange under sub-section (1) and sanctioned by the Governor in Council and any addition, amendment, variation or rescission made by the Governor in Council under sub section (3) shall be published in the Bombay Government Gazette.

(5) All rules made by a Stock Exchange and in existence on the date on which this Act comes into operation relating to transactions in securities other than ready delivery contracts shall be of no effect and shall not be enforceable by law on and from the date this Act comes into operation except such rules as are sanctioned by the Governor in Council.

(6) If no rules are made under sub-section (1) within such time as may be fixed by the Governor in Council, the Governor in Council may, by notification in the Bombay Government Gazette make rules for the regulation and control of all transactions in securities (other than ready delivery contracts).

Contracts not made subject to rules to be void.

5. Every contract entered into after the date on which this Act comes into operation for the purchase or sale of securities, whether either party thereto is a member of a Stock Exchange or not, other than a ready delivery contract shall be void, unless the same is made subject to the rules duly made and published under section 4; and no claim shall be allowed in any Civil Court for the recovery of any commission, brokerage, fee or reward in respect of any such contract.

No. T-1435, 14th October 1925.

From Chamber to the Government of Bombay Finance Department.

I am directed to acknowledge receipt of your letter No. 2902-A, dated nil September 1925, and to indicate the views of my Committee as desired by Government, in the following words:—

My Committee do not accept the principle of Government interference or control with any association of merchants or traders dealing in any article so long as serious questions of public interest are not involved and serious complaints have not reached Government.

In the matter of the Stock Exchange organisation in Bombay, as indicated in the views of this Chamber placed before the Atlay Committee, events had occurred, which had shaken the confidence of the public and created a demand for radical reform. The Atlay Committee made recommendations, which have been acknowledged to be reasonable on the whole. It has been a matter of regret that the Bombay Stock Exchange should not have taken an opportunity of embodying the improvements suggested in their rules and should have thus compelled Government to interfere for safeguarding public interest in the matter of sales of securities other than ready contracts.

My Committee, therefore, support the principal of the bill as leading to a law, which has become necessary, but would propose restriction of the operation of Clause 3 in the bill. This clause gives power to Governor-in-Council to add to, amend, vary or rescind rules made by a stock exchange. My Committee feel that so long as rule 26 is omitted or altered in accordance with the suggestions of the Atlay Committee and no emergent powers are reserved by the directors to protect parties, who have made reckless sales, or to fix arbitrary prices, interference may be reduced to a minimum. It would be desirable, therefore, to couple the introduction of this bill with a declaration that Government will not at any time suggest the addition of any rules, which are not encompassed by the recommendations of the Atlay Committee.

and clearly indicated therein. Subject to the above, my Committee tender their support to this bill and hope that this extreme measure, which has been forced on Government by the unwillingness of the Board of the Bombay Stock Exchange to effect necessary improvements, may bear the fruits, which are anticipated.

APPENDIX 73.

THE BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO INSURANCE COMPANIES.

No. T.-1490, 26th October 1925.

From Chamber to the Government of Bombay Revenue Department.

I am directed by the Committee of this Chamber, in reply to your letter of 17th August 1925, No. 4327-G/24, to send hereby their views with regard to the Indian Insurance Companies Bill:*

Sections 1 to 9 :—To stand as they are.

Section 10 :—No Insurance Company shall carry on or undertake any kind of insurance busines unless and until it has made a deposit as hereinafter provided and obtained a License from Government for the transaction of such insurance business.

Subject to the provisions of this Chapter, every insurance company not incorporated in India shall before commencement of business deposit or keep deposited with the Controller of Currency for and on behalf of the Governor General in Council, in respect of any class or classes of insurance business carried on or intended to be carried on by it in British India, Government securities as defined

* Letter of the Government as well as the Bill will be found in the file No. R. 67 of 1925.

in the Indian Securities Act, 1920, of the market value on the day of the deposit hereinafter specified in respect of that class or those classes as the case may be, that is to say :—

(a) of the market value of three hundred thousand rupees in respect of life insurance business; and two hundred thousand rupees in respect of fire insurance business, provided that Indian Fire Insurance Companies should deposit one hundred thousand rupees;

(b) of the market value of fifty thousand rupees in respect of the following classes, namely—

(i) workmen's compensation insurance business,

(ii) accident insurance business, and

(iii) marine insurance business;

(c) of the market value of fifty thousand rupees in respect of any other classes of insurance business;

and on such deposit having been made a license shall be issued to every such company to transact the class or classes of business in respect of which the deposit has been made.

Provided that an insurance company shall not be liable to deposit Government securities of a total market value exceeding three hundred thousand rupees in respect of any of the classes of business referred to in (b) and (c); rupees five hundred thousand to be deposited if the company does the business in all the three classes, i. e., (a), (b) and (c); provided further that Indian companies might be allowed to contribute their deposits by five annual equal instalments.

Section 11 :—Para 1 to stand as it is.

In place of para 2 substitute the following :-

Provided that, in the case of a life insurance company constituted in British India the deposit of securities in respect of life insurance business shall be made in five annual instalments, of which the first shall be a deposit of securities of the market value of fifty thousand

rupees made before the expiry of six months from the commencement of this Act or before the company begins to carry on life insurance business, according as the company has begun to carry on such business before or after such expiry, and the remainder shall be deposits of securities of the market value of ten, twenty, thirty and forty thousand rupees respectively made in each case before the close of the calendar year next following that in which the previous deposit fell due for payment.

Sec. 12 to 16 :—As they are.

Sec 17 :—An insurance company may at any time substitute for any securities deposited under this Act any Government securities for the same market value at the date of deposit.

Sec. 17 (A) :—Every insurance company constituted outside of, but operating within, British India shall keep under Government control assets equal to the reserve value of the policies issued by them and still in force at the end of their respective financial year, provided however that in arriving at the amount of reserved value of assets to be so kept under Government control the company shall be allowed to include the amount of initial deposit under Section 10 of this Act.

Sec. 17 (b) :—In the case of the winding up of any such company constituted outside British India but operating within British India, all policy holders in British India shall be deemed to have a prior claim on all reserve assets deposited as per 17 (a) or the initial deposit as per Section 10 as the case may be.

Sec. 18 :—As it is.

Sec. 19 :—Any insurance company which has kept a joint account and maintained a joint fund in respect of any two or more classes of insurance business not being workmen's compensation insurance business transacted in British India or life insurance business shall separate such funds within two years of the coming into force of this Act and thereafter keep separate accounts and maintain separate funds for each class of business.

Sec. 20 :—Section to stand as it is, but the proviso to be deleted.

Sec. 21 ;—Section to stand as it is, but after the words "every insurance company" insert the words "other than life insurance".

Sec. 22 & 23 :—As they are.

Sec. 24 :—Substitute "lower" for 'higher' in sub-section (1) in the last line.

Sec. 25 to 29 :—As they are.

Sec. 29 (a) :—A statement showing for each class of insurance business the total premium income earned by the company direct or by way of re-insurance in respect of business transacted in British India without any deduction for any re-insurance placed outside British India in respect of such business.

Sec. 30 :—As it is.

Sec. 31 (1) :—Add at the end : "in the meantime the license of such company shall be suspended."

Sec. 32 :-Add at the end : "in the meantime the license of such company shall be suspended''

Sec. 31 A :—Where the report of such inspection as per Section 31 (1) or actuarial examination as per Section 32 discloses an unsatisfactory state of affairs the Governor General in Council may direct such company to take such steps as may be deemed advisable to place its affairs in order and on its failure to do so may cancel its license altogether.

Sec. 33 & 34 :—As they are.

Sec. 35 :—Substitute "one month" for 'fifteen days'.

Sec. 36 & 37 :—As they are.

Sec. 38 :—Instead of the words "from time to time" substitute "Annually", and omit the words "any correspondence in relation thereto".

Sec. 39 :—As it is.

Sec. 40 to 46 :—As they are.

Sec. 47 :—The Governor General in Council may publish in the Gazette of India and in such other manner as he may direct, particulars of default made by an insurance company in complying with any of the requirement of this Act, provided that the default is continuing for a period of three months after the date on which the attention of the insurance company has been drawn to the fact and, in the case of an insurance company constituted in British India, may at the same time notify that this publication is a ground on which any member or policy holder of the company may apply to the Court at the expense of the company for a winding up order, and in the case of a company constituted outside British India but operating within British India such publication shall be a ground of which any member or policy holder of the company may apply to the Court for the winding up of the business of such company in British India and the liquidation of its assets in British India.

Sec. 48 :—Add at the end : " Notwithstanding anything contained in Section 203 of the Indian Companies Act, no insurance company may be wound up even voluntarily, except on a resolution agreeing to winding up being moved and carried by a majority of three-fourths of the policy holders then on the books of the company in a meeting of such policy holders specially convened for the purpose ".

Sec. 49 to 54 :—As they are.

Sec. 54 (a) :—In the case of a company not incorporated in British India but operating in British India if the license of such company has been cancelled under Section 32 A, the Court may on application made on behalf of the Governor General in Council order the winding up of the assets of such company in British India.

Sec. 55 (3):—Rules so made shall be published in the Gazette of India and shall be laid on the table of the Legislative Assembly for 30 days and if not objected to shall have effect.

Sec. 56 :—As it is.

Sec 57 :—Delete.

Sec. 58 :—As it is.

Schedule Three :—All funds to show Indian and Non-Indian separately. Assets to specify modes of valuation, face or market.

APPENDIX 74.

AMENDMENTS IN THE INDIAN FACTORIES ACT.

No. 741-13600-D., 10th October 1925.

From the Government of Bombay General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 741, dated the 10th October 1925, on the subject noted above, and to request that you will be so good as to favour Government with the views of your Chamber not later than the 20th November 1925, on the provisions of the Bill accompanying it.

Factories.

Amendment of the Indian Factories Act.

GOVERNMENT OF BOMBAY.

General Department.

Resolution No. 741.

Bombay Castle, 10th October 1925.

Letter from the Government of India, Department of Education, Health and Lands, No. F.-125-I.-25-A. C., dated the 25th September 1925 :—

A Bill further to amend the Indian Factories Act, 1911, with statement of objects and Reasons.

"With reference to the Debates of the Legislative Assembly of 17th September 1925, I am directed to forward herewith 40 copies of the papers noted on the margin and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the Hight Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

"2. I am also to request that the Bill and Statement may be published in the Bombay Government Gazette in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

"3. The reply to this letter should be sent in by the 15th December 1925."

Resolution :—Copies of the letter from the Government of India and accompaniment should be forwarded to the Honourable the Chief Justice and Judges of his Majesty's Hight Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Collector of Bombay, the Director of Industries, the Director, Labour

Office, the Remembrancer of Legal Affairs, the Millowners' Association, Bombay and Ahmedabad, the Indian Merchants' Chamber, Bombay, the Chambers of Commerce, Bombay and Karachi, the Bombay European Textile Association, the Bombay Engineering Employers Federation, the Social Service League, and the Kamgar Hitwardhak Sabha, and they should be requested to favour Government with their opinions on the provisions of the Bill and to send their replies not later than the 20th November 1925.

2. The Manager, Government Central Press, should be requested to print the Bill with the Statement of Objects and Reasons in the *Bombay Government Gazette*. The Oriental Translator to Government should be requested to have them translated into Marathi Gujarati and Kanarese and forward the translation to the Manager, Government Central Press, for publication in the *Gazette*. The Commissioner in Sind should be requested to take a similar action with regard to Sind.

By order of the Governor in Council,

A. H. DRACUP,

Under Secretary to Government.

A

BILL

TO

Further to amend the Indian Factories Act, 1911.

Whereas it is expedient further to amend the Indian Factories Act, 1911, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title and commencement.

1. (1) This Act may be called the Indian Factories (Amendment) Act 192 .

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

Amendment of section 2 Act XII of 1911.

2. In section 2 of the Indian Factories Act, 1911, (hereinafter referred to as the said Act),—

(*a*) after clause (d) of sub-section (2), the following shall be inserted, namely :—

"or

(e) in any other prescribed kind of work";

(*b*) to sub-section (3) the following clause shall be added namely :—

"(c) any premises wherein, or within the precincts of which, on any one day in the year not less than ten persons are simultaneously employed, and any such power is used, which have been declared by the Local Government, by notification in the local official Gazette, to be a factory ;

A declaration under clause (c) may be made in respect of any class of premises, or in respect of any particular premises."

(*c*) in sub-section (5), after the word "manufacturing" the words "or other prescribed" shall be inserted.

Amendment of section 3, Act XII of 1911.

3. In section 3 of the said Act, for the figures "1901" the figures "1923" shall be substituted.

Amendment of section 7, Act XII of 1911.

4. In sub-section (1) of section 7 of the said Act,—

(*a*) after the words "such person and" the words "if he is fit for employment in a factory" shall be inserted ;

(*b*) for the word "whether" the word "that" shall be substituted;

(*c*) before the word "employment" where it last occurs in the sub-section, the word "such" shall be inserted; and

(*d*) the last three words of the sub-section shall be omitted.

5. After section 9 of the said Act the following section shall be inserted, namely :—

Inserted of new section 9A in Act XII of 1911

"9A. (1) In every factory a reasonable temperature shall be maintained.

Temperature.

(2) In the case of any factory in which, in the opinion of the inspector, a reasonable temperature is not maintained, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary to maintain a reasonable temperature, and requiring him to carry them out before a specified date."

6. In section 10 of the said Act, after the word "provided" the words "before a specified date and" shall be inserted, and the last four words of the section shall be omitted.

Amendment of section 10, Act XII of 1911.

7. In section 19 of the said Act, after the word "No" the words "person in any area notified by the Local Government in this behalf in the local official Gazette and in any other area no" shall be inserted.

Amendment of section 19, Act XII of 1911.

8. In sub-section (1) of section 21 of the said Act,—

Amendment of section 21, Act XII of 1911.

(*a*) for sub-clause (ii) of clause (a) the following sub clause shall be substituted, namely :—

(*ii*) at the request of the employees concerned, periods of rest, at intervals not exceeding five hours not less than

half an hour each, the total duration of the periods of rest on that day not being less than one hour for each period of six hours' work done";

(*b*) to clause (a) the following proviso shall be added, namely :—

"Provided that, in lieu of the periods provided under sub-clause (i) or sub-clause (ii) there may be fixed for each male person employed for not more than eight and a half hours on each working day, at the request of the employees concerned and with the previous sanction of the Local Government, a period of rest of not less than half an hour, so arranged that no such person shall work for more than five hours continuously, and ".

Amendment of section 25, Act XII of 1911.

9. In section 25 of the said Act the, words "woman or" shall be omitted.

Amendment of section 30, Act, XII of 1911.

10. In sub-section (1) of section 30 of the said Act,—

(*a*) in clause (e) after the word "except" the number and brackets "(i)" shall be inserted, and after the words "seasons or" the number and brackets "(ii)" shall be inserted;

(*b*) after the words "as it may impose" the words "and in such area as may be specified in the notification" shall be inserted;

(*c*) in the phrase beginning "in case (*a*)" after the word "sections" the figures "21" shall be inserted;

(*d*) in the phrase beginning "in case (*b*)" after the word "sections" the figures "21" and after the figures "22" the figures "26" shall be inserted;

(*e*) in the the phrase beginning " in case (*c*) " for the word and figures " and 22 " the word and figures " 22 and 28 " shall be substituted ;

(*f*) after the phrase beginning " in cases (*d*) and (*e*) " the following phrase shall be added, namely :—

" in case (*e*) (*ii*) such class of factories from the provisions of section 26 "

Amendment of section 31, Act XII of 1911.

11. In section 31 of the said Act, after the figure " (*1*) " the words and figure " or sub-section (*2*) " shall be inserted.

Amendment of new sections 31A and 31B in Act XII of 1911.

12. After section 31 of the said Act the following sections shall be insereted, namely :—

Employment in engine room or boiler house.

" 31A. The Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, exempt on such conditions, if any, as it may impose any factory from the provisions of section 22 in respect of persons employed in the engine room or boiler house of such factory

Night employment of women.

31B. The Local Government may, subject to the control of the Governor General in council, by notification in the local official Gazette, exempt on such conditions, if any, as it may impose any factory from the provisions of clause (*a*) of section 24 in respect of women employed on any work in connection with raw material or on any process in connection with any material in which the material is during the process subject to rapid deterioration, where the employment of such women, outside the limits provided by clause (*a*) of section 24, is necessary to prevent any damage to or deterioration of the material. "

Amendment of section 33, Act XII of 1911

13 In sub-section (*3*) of section 33 of the said Act, for the words " the occupier shall himself " the words " or during which the person designated does not

manage the factory, any person found acting as manager of the factory or, if no such person is found, the occupier himself shall" shall be inserted.

Amendment of section 34 Act XII of 1911.

14. In section 34 of the said Act, after the word "factory," where it occurs for the first time, the words "due to any cause which the Local Government may, by notification in the local official Gazette, specify, or" shall be inserted.

Amendment of section 35 Act XII of 1911.

15 To section 35 of the said Act the following provisos shall be added namely :—

"Provided that, where it is proved to the satisfaction of the Local Government that no person can be employed in a factory in contravention of the provisions of Chapter IV, the Local Government may, by notification in the local official Gazette, exempt on such conditions, if any, as it may impose such factory from the provisions of this section in respect of persons other than children employed in such factory,

Provided, further, that where in the opinion of the inspector a muster roll or register kept in a factory gives the particulars required in the prescribed form, he may, by order in writing, direct that such muster roll or register shall be kept in place of the register in the prescribed form, and such muster roll or register shall thereupon, for all or any of the purposes of this Act, be deemed to be the register kept in the prescribed form."

Amendment of section 36, Act XII of 1911.

16. For sub-section (3) of section 36 of the said Act the following sub-section shall be sub-stituted, namely :—

"(3) The said notice shall be correctly maintained and kept up to date, any change in the standing orders of the factory shall be entered therein by the manager before such

change comes into force; when any such change is entered in the notice, a copy of the notice or of the order in which the change is made shall be sent in duplicate by the manager to inspector within twenty-four hours,"

Amendment of section 41, Act XII of 1911.

17. In clause (*g*) of section 41 of the said Act, after the word "under" the word, figure and letter "section 9A" shall be inserted.

Insertion of new section 44A in Act XII of 1911.

18. After section 44 of the said Act the following section shall be inserted, namely :—

Employment of children in two factories on the same day.

"44A. Where a child is employed in any factory and such child has already been employed on the same day in any other factory, the parent or guardian or person having legal custody of or control over or direct benefit from the wages of the child shall be punished with fine, which may extend to twenty rupees, unless it appears to the Court that the offence was committed without the consent, connivance or wilful default of the parent, guardian, or such persons as aforesaid."

Amendment of section 46, Act XII of 1911

19. In section 46 of the said Act, for the words "process or work incidental to any manufacturing" the words "or other prescribed process or work incidental to any such" shall be substituted.

Insertion of new section 48A in Act XII of 1911.

20. After section 48 of the said Act the following section shall be inserted, namely :—

Power to conduct prosecution.

"48A. An inspector may conduct the prosecution in any case relating to an offence, of which he has charge against this Act or any rule or order thereunder before any Court in which such case is under inquiry, trial or appeal, and shall have the like power of withdrawing from the prosecution as is provided by section 494 of the Code of Criminal Procedure, 1898, and the provisions of that section shall apply to any withdrawal by an inspector."

21. In section 49 of the said Act, after the word "thereunder" the words and figures "other than an offence against section 33" shall be inserted.

Amendment of section 49, Act XII of 1911

22. In sub section (1) of section 50 of the said Act, after the word "under" the word, figure and letter "section 9A" shall be inserted.

Amendment of section 50, Act XII of 1911

STATEMENT OF OBJECTS AND REASONS.

The Indian Factories Act, 1911 (XII of 1911) was radically revised by Act II of 1922, which introduced a series of important reforms including the adoption of a sixty hours' week, the raising of the minimum age of children from 9 to 12, the prohibition of night work for women, the extension of the Act to a large number of small factories, drastic restriction of the exempting provisions, etc. The experience of the last three years indicates that the amended Act has worked smoothly on the whole, and the main principles followed in 1922 command general acceptance. The Government of India do not propose to modify any of the main principles of the Act.

2. But administrative difficulties have arisen in connection with some sections of the Act; one such difficulty relates to section 21 which provides for intervals of rest. In practice it has proved difficult to enforce the provisions of this section in some industries. Local Governments were asked in June 1923 to consider a possible solution of the difficulty and to bring to the notice of the Government of India any difficulties which might have arisen in connection with other provisions. On receipt of their replies, a conference of Chief Inspectors of Factories was convened; this met in Simla, in August 1924, and was attended by the officers at the head of the inspection staff in every province but one. The Act was examined in detail in the light of the criticisms received, and the conference recommended a number of alterations designed by allowing greater elasticity in some directions and by increasing control in others, to make for smoother working.

The amendments proposed in the Bill are based on the recommendations of that conference and on the opinions received from Local Governments. They are explained in the detailed Notes on Clauses below.

NOTES ON CLAUSES

Clause 2.—There are a number of establishments such as electrical generating stations, water-works, etc., which while they are essentially factories in the ordinarily accepted sense of the term and require regulation as much as other factories do not appear to fall strictly within the definition in section 2(3) of the Factories Act. The amendment proposed is designed to ensure the application of the Act to such factories. The amendment proposed in clause 19 is consequential.

Clause 3.—The amendment is consequential on the repeal of Act VIII of 1901 by Act IV of 1923.

Clause 4—Sub section (1) of section 7 directs the certifying surgeon to give to an unfit child a certificate that he is unfit, such certificates are said to have been given and used for the purpose of employment. The amendments preclude the certifying surgeon from giving a certificate to a child who is found to be unfit for employment.

Clause 5—The existing Act makes no provision for the prevention of excessive temperatures within a factory. The new section is designed to remedy this defect. The amendments proposed in clauses 17 and 22 are consequential.

Clause 6,—The amendment is of a formal character and is designed to make it clear that, where a manager of a factory has been required to provide a fan the fan must be maintained in use.

Clause 7.—Under the existing law, women and children are prohibited from cleaning machinery in motion. But a large number of accidents to men have occured from the cleaning of machinery in motion. It is therefore proposed to give Local Governments

power to prevent this practice, where they are satisfied that it is attended with danger to the operatives.

Clause 8.—Two difficulties have arisen in connection with section 21 (1) (a) of the Factories Act, 1911. The sub-section was designed to secure for employees a daily interval of one hour or, if they so prefer, two intervals of half an hour each, so arranged that no operative is required to work for more than five hours continuously. It is doubtful whether the section carries out the intention of the Legislature as regards the second alternative; clause (ii) may be interpreted as requiring that both the half-hour intervals, if this system is chosen, should be given before the seventh hour of work commences. The first amendment proposed is designed to carry out the original intention of the Legislature.

But the Government of India propose at the same time to make a more substantial amendment. As soon as section 21 came into effect, difficulty was experienced in enforcing it in factories which were working for appreciably shorter hours than the maximum permitted by the Act and more particularly in engineering works. The operatives, who under the old Act had been given an interval of only half an hour found that the new Act resulted in a diminution of the hours which they were able to spend at their homes. And where, as in many cases, their homes were situated at a considerable distance from their work, their dislike of the new provision was correspondingly increased. The Government of India referred the whole question for detailed consideration to Local Governments and the replies showed a general consensus of opinion in favour of an amendment of the section. The proposal now put forward is based on the recommendation of the Factory Inspectors' Conference. If it is passed into law, it will be possible for Local Governments to permit the reduction of intervals to one interval of half an hour daily in the case of male operatives working for not more than 8½ hours a day, provided that the operatives themselves desire this arrangement. The Government of India are satisfied that the proposal will not be detrimental

to the operatives concerned, and they hope that it may have the effect of reducing the hours of work in some factories.

Clause 9.—The existing Act prohibits the employment of women and children in more than one factory on the same day. It has been brought to the notice of the Government of India that in certain cases this provision operates to prevent women from securing adequate employment. In some factories which work for only a few hours each day, it was formerly the custom for women to do a few hours' work in one factory and then to proceed to a neighbouring factory to complete their day. Provided that the weekly and daily limits placed by the Act on hours of work are not exceeded, there is no reason why the practice should be prevented; and where, as in the case of the factories in question, the hours of opening and closing of the factories are simultaneous, there is no risk of abuse in a relaxation of the existing provision. The relaxation will only be effective when the sanction of the Local Government has been obtained, and it is contemplated, that this sanction will only be given to the employment of women within specified hours, so arranged that it is not possible for a woman to work outside the limits provided by sections 24 and 27.

Clause 10.—A number of minor modifications are proposed in section 30 of Act XII of 1911. As the section at present stands it is not possible for Local Governments granting exemption to limit the exemption to particular areas and, if an exemption proves necessary in a particular part of the province, they are compelled to grant an exemption applicable throughout the province. Amendment (b) is designed to remedy this effect.

In the case of person engaged in preparatory or complementary work, it is frequently necessary that the provision relating to intervals should be abrogated and where work is essentially intermittent, the workers, although they enjoy as a rule long intervals of rest, cannot always be given them at specified hours. It is proposed therefore in amendments (c) and (d) to

give the Local Government power to grant exemptions from section 21 of the Factories Act.

A number of factories in which continuous production is necessary for technical reasons work upon a shift system and, with such a system, it is not always possible to secure that on no day of the week shall the hours of work exceed eleven. It is proposed therefore in amendment (e) to give the Local Government power to grant exemption from section 28 of the Factories Act.

No exemptions are at present possible from section 26 of the Factories Act, which requires the manager to fix beforehand specified hours for the employment of each person employed. But it is not possible in a number of cases for the manager of a factory to comply with this provision. Where work depends on the irregular action of natural forces, it is obviously impossible for the manager to predict beforehand the hours at which the operatives will commence work. Much the same difficulty arises in the case of work which is essentially intermittent. It is proposed therefore by amendment (a), (d) and (f) to permit the Local Government to grant exemptions from the provisions of section 26 of the Factories Act. The exemptions will in all cases be subject to any conditions which the Local Government may consider necessary for the purpose of ensuring that the provisions of the Act limiting hours of work are not contravened.

Clause 11.—The existing Act provides that where persons, by virtue of an exemption granted under section 30 (1), are permitted to work for more than 60 hours in a week, they are entitled to overtime at the rate of at least 1½ times the normal rate of wages There is no reason why this provision should not apply equally to exemptions granted under section 30 (2).

Clause 12.—It is frequently necessary that the persons employed in the engine-room or boiler-house of a factory should attend on the weekly holiday, and the new section 31A is designed to meet this need.

The existing section 24 (a) prohibits the employment of women in factories before 5-30 a.m. and after 7 p.m. The provision has proved prejudical to the working of fish curing and canning factories. It is essential in such cases that work should commence as soon as the material is available, and this was recognized in the International Convention relating to the employment of women by night, which has been ratified by India. The Factories Act, however, contains no provision for the purpose and the new section 31B is designed to supply the deficiency.

Clause 13.—Difficulties have arisen in enforcing the Act where no person has been officially designated as manager of the Factory. This difficulty has been specially felt in Burma in the case of factories owned by Chinese proprietors who cannot easily be traced. The person managing the factory cannot be prosecuted for an infringement of the law unless he has actually been designated as manager. The amendment proposed is designed to make it possible for responsibility to be brought home to the person actually managing the factory.

Clause 14.—As section 34 of the Factories Act stands at present, it does not enable the inspector or the Local Government to receive notices of dangerous accidents, which do not actually result in death or a bodily injury for example, if part of a factory collapses when no one is working in it, so that no casualties result, no report need be made, and the necessity of enforcing more stringent precautions may thus be overlooked. It is therefore proposed to insert a provision giving Local Governments power to require notices of accidents of any special class of explosion, fire, collapse of buildings, accidents to machinery or plant, etc., which they may specify.

Clause 15.—Section 35 of the Factories Act, which is supplementary to section 26, has given rise to considerable difficulty in administration. It requires the manager to maintain a register of all persons employed and of their hours of work, and these hours must necessarily be specified beforehand. As has been indicated in the note on clause 10, it is not always possible for the manager to

predict the exact hours within which each person shall be employed and it is therefore proposed to give the Local Government power to dispense with the necessity of the register in certain cases. It is intended that this power should only be used where the total hours worked by the factory are such that it is impossible for any adult to work for hours longer than those permitted by the Act, and provided that this condition is observed, there is no danger of any infrigement of the limits which the Act imposes upon hours of work. It would not be possible to prevent abuses arising in connection with the employment of children if a similar exemption were granted in their case. It is proposed therefore that the exemption should only be possible in the case of adults.

In a number of factories, elaborate muster-rolls are maintained, which give all the necessary particulars but which are not necessary in the form prescribed by the Local Government. It is proposed to grant the inspector power to permit the substitution of these muster-rolls for the register prescribed under the Act.

Clause 16.—Under section 36 of the Factories Act, notices must be displayed, giving the standing orders of the factory relating to hours of work, rest intervals and holidays, and alterations in these notices must be sent to the inspector within seven days. At present, an inspector who visits the factory and finds that the standing orders are being contravened may be informed that the change has been made a few days before his visit to the factory, and it is difficult for him to check the accuracy of this statement. There is no reason why changes in the hours of work should not be notified to the inspector as soon as they are made, and the amendment will, it is hoped place the inspecting staff in a position to exercise more effective control than is possible at present.

Clause 18.—Considerable difficulty has been experienced in preventing the employment of children in two factories on same day. It is seldom possible to prove that either manager is aware that the child is working in another factory and in many cases the manager may have no such knowledge. On the other hand, it is almost universally the case that such employment is obtained under compulsion from

or on the instigation of the parent or guardian of the child. It is believed that, if it were possible to punish the parent or guardian for what is essentially a gross dereliction of his duty to the child, the hands of those who are endeavouring to stamp out the abuse would be considerably strengthened. The proposed section is an adaptation of section 138 (*1*) of the British Factory and Workshop Act, 1901.

Clause 20.—The new clause is designed to enable inspectors to conduct prosecutions under the Factories Act.

Clause 21.—Section 33 of the Factories Act, provides that persons occupying factories should send a written notice to the inspector on or before the date on which the factory commences work. Section 49 prevents prosecution for any offence unless complaint has been made within six months of the date of the alleged offence. It follows that, if a factory has worked for more than six months without being discovered, the occupier cannot be prosecuted for failure to inform inspector of the opening of the factory. The amendment is designed with a view to rectifying this defect.

B. N. MITRA.

18 September 1925.

No. T.-1685 26th November 1925.

From Chamber to the Government of Bombay General Department

I am directed to send to you hereby the views of the Committee of this Chamber regarding the amendment of Indian Factories Act in reply to your letter No. 741-13600-D dated the 10th October 1925.

2. The question of rest intervals, for which provision is made by Clause 8 is perhaps the most important dealt with by these proposed amendments and my Committee presume they are right in saying that a fresh amendment of the Indian Factories Act is taken on hand because of this question. My Committe beg to remind the Government in

this connection of their views expressed in their letter of 27th July 1923 No. T.-806 in reply to the communication from the Government dated 21st June 1923, No. 711-5086 D. They wrote :—

> "(a) at the request of the employees concerned there shall be two periods of rest of not less than half an hour each distributed throughout the day in such a manner that no person shall work for more than 4 hours continuously"

They believe that the amendment they then suggested still holds good and believe that difficulties if any experienced in connection with this rather complicated question of rest intervals will be removed if their suggestion is accepted. The amendment will then run thus :—

> "At the request of the employees concerned and with the approval of the the employer concerned, periods of rest may be given at intervals not exceeding four hours, of not less than half an hour each, the total duration of periods of rest on that day being not less than one hour for eight completed hours of work ".

Such an amendment would ensure that one hour's rest interval is given before the end of a day and at suitable intervals.

3. With regard to the suggested new clause which it is proposed to add to Section 21 to permit a half hour interval of rest for male employees when the working day does not exceed 8½ hours it is not clear, as my Committee observed in their letter of 27th July 1923, why employers whose hours of work do not exceed 8 or 8½ should be so anxious to reduce the interval of rest. The factory will run on anyhow for 8 and 8½ hours and half hour's difference in the interval of rest will not affect the factory adversely.

APPENDIX 75.

BILL FURTHER TO AMEND THE SMALL CAUSES COURTS ACT, 1882 IN ITS APPLICATION TO THE BOMBAY PRESIDENCY. (VIDE CHAMBER'S REPORT FOR 1924 P. 390).

No T. 1342 24th September 1925.

From Chamber to the Government of Bombay Home Department.

With reference to the correspondence ended on the 17th March 1924, I am directed by my Committee to enquire what steps, if any, have been taken by the Government in the above matter.

No. 3589-/13803-B, 8th October 1925.

From the Government of Bombay Home Department to Chamber.

With reference to the correspondence ending with your letter No. T/1342, dated the 24th September 1925, I am directed by the Governor in Council to state that Bill further to amend the Small Causes Courts Act, 1882, in its application to the Presidency of Bombay, has been dropped by Govenment, as it was found that it was generally opposed.

No. T. 1457 14th October 1925.

From Chamber to the Government of Bombay Home Department.

With reference to your letter No. 3589/13803-B dated 8th October 1925, I am directed by my Committee to request you to be good enough to enlighten them as to the nature and extent of general opposition to the above Bill.

No. 3589/13803–B. 13th November 1925.

From the Government of Bombay, Home Department to Chamber.

With reference to the correspondence ending with your letter No. T/1437, dated the 14th October 1925, I am directed to inform you that a number of commercial and legal bodies who were consulted were against the Bill, mainly on the ground that it took away the concurrent jurisdiction of the High Court.

No. T/1662 19th November 1925.

From Chamber to the Government of Bombay Home Department.

I am directed to acknowledge the receipt of your letter No. 3589/43803 B of the 13th instant. My Committee remember that a large number of commercial bodies had emphatically approved of and endorsed the proposed amendments of the Small Causes Courts Act, 1882. They will be much obliged therefore if Government will be pleased to inform them as to the names of these commercial and legal bodies which had opposed the same.

No. 3589-II-B, 2nd December 1925.

From the Government of Bombay Hom Department to Chamber.

With reference to your letter No. T. 1662, dated the 19th November 1925, I am directed to state that the only commercial body which expresed its approval of the proposed Bill was the Indian Merchants' Chamber.

No. T. 1774 10th December 1925.

From Chamber to the Government of Bombay Home Department.

With reference to your letter No. 3589 II-B dated 2nd December 1925, I am directed by my Committee to request you to supply them with names of those commercial and legal bodies which had opposed the proposed amendment of the Small Causes Courts Act 1882.

No. 3589-II-B, 17th December 1925.

From the Government of Bombay Home Department to Chamber.

With reference to the correspondence ending with your letter No. T. 1774, dated the 10th December 1925, I am directed to inform you that no further information can be given in the matter.

(G) GENERAL TRADE AND INDUSTRY.

APPENDIX 76.

FEDERATION OF EMPLOYERS' ASSOCIATIONS.

No. 91/39 dated 20th January 1925.

From the Millowners' Association Bombay to the Chamber.

I am directed to address you with regard to certain proposals which my Association desire to make for the formation of a Federation of Employers' Associations.

The necessity of such a Federation was recognised as long ago as 1920 and certain initial steps were taken in that year as a result of a suggestion made by the Government of India concerning the appointment of employers' delegates to International Conferences.

At the invitation of this Association a meeting was held, on 14th December 1920 in the rooms of the Bombay Millowners' Association, of representatives of Associations and other bodies representing employers of labour in India.

Among those present were :—

The late Mr. Rahimtoola Currimbhoy (Chairman), Bombay Millowners' Association.

The Hon'ble Mr. (now Sir) A. R. Murray, C. B. E., (Indian Jute Mills' Association and the Associated Chambers of Commerce of India and Ceylon)

R. D. Tata, Esq :

T. W. Tutwiler, Esq. (Messrs. Tata Iron & Co. Ltd., Jamshedpur)

H. P. Hebblethwaite, Esq. (The Associated Chambers of Commerce of India and Ceylon)

A. W. Dods, Esq. (The Indian Engineering Association, College and Metallurgical Industries.)

J. K. Pallinson Esq. (The Indian Mining Association, Calcutta)

A. P. Symonds, Esq. (Messrs. Binny & Co. Madras).

J. G. Ryan, Esq. (The Upper India Chamber of Commerce, Cawnpore, and the Associated Chambers of Commerce of India and Ceylon) ; and the then members of the Committee of the Bombay Millowners' Association.

The Chairman of the Meeting, the late Mr. Rahimtoola Currimbhoy explained that the primary object of the meeting was to appoint as a temporary arrangement, an employers' delegate to the International Labour Conference, and secondly to consider the advisability of forming a Federation of Employers' Associations.

As a result of the meeting Mr. N. B. Saklatvala was nominated as the Employers' Representative at the Geneva Conference, and detailed arrangements made for the selection of advisers on the different subjects to be discussed at the International Conference.

With regard to the advisability of a Federation of Employers' Associations it was unanimously agreed that such a body was desirable, and the general lines on which the proposed Federation should be consituted were laid down.

It was resolved ;—

(a) That the principal aim of the Federation should be to nominate the various representatives and delegates of employers required in pursuance of the provisions of Articles 389 and 412 of the Treaty.

(b) That a subsidiary aim might be to consider and discuss the broad questions of principle affecting all industries without interfering in any way with the internal affairs of individual industries.

(c) That membership should be confined to Associations of employers with certain exceptions to be clearly defined in the constitution.

(d) That the basis of voting should be the number of workers employed.

(e) That the Annual General Meeting of Conference should be held in each of the industrial centres in turn.

A small Committee was also appointed at the meeting for the purpose of formulating a detailed constitution and rules. Unfortunately the untimely deaths of Mr. Rahimtoola Currimbhoy and Sir Vithaldas Thackersey took away the moving spirits of this Committee before any definite progress had been made.

Nominations to the International Labour Conferences since 1920 have been made by the Government of India after consultation with various Employers' Associations and while employers have been con-

sistently represented in a most adequate and satisfactory manner, it is somewhat unfortunate that it has not been possible for the employers' delegates to ascertain beforehand the combined and considered views of all Associations on the very important subjects which have from time to time found a place on the agenda of the Conference, as would have been possible, had a Federation existed such as was proposed in 1920.

During the last five years and particularly during the last two years, this Association has realised the growing need for a more intimate union of Employers' Associations, which would permit of :—

(*a*) the interchange of ideas and views on broad questions of principle on which it would be manifestly advisable for employers to take concerted action.

(*b*) the submission of replies representing the joint views of all employers on proposals for legislation likely to affect all industries or a large number of the industries of this country.

(*c*) the inauguration of a concerted policy in regard to labour legislation.

(*d*) closer co-operation between employers' associations and more extensive interchange of views.

(*e*) the fromulation of suggestions for the development of industries in India – encouragement of employers' associations.

To name a few of the subjects on which employers might have adopted a common attitude, I am desired to mention the following subjects :—

(*a*) The recent modifications in Factory Legislation

(*b*) The Workmen's Compensation Act.

(*c*) The proposed Trade Union Legislation.

(*d*) Maternity Benefits.

(e) The proposed Trade Union Legislation for the settlement of Industrial Disputes.

(f) The new Boiler Laws and Regulations.

(g) The proposed legislation to provide for the weekly payment of wages, etc.

On all these questions Government consulted practically all the larger employers' Associations of the country and there was some interchange of views between this Association and other employers' Associations on these and certain other subjects. My Association were greatly impressed by the value of such co-operation, and it is with the object of extending it, that they propose, subject to adequate support being forthcoming from other bodies, to make another attempt to carry out the proposals initiated by Mr. Rahimtoola Currimbhoy in 1920.

As an accompaniment to this letter will be found certain tentative proposals upon which the views of your Association are solicited. They are meant to serve merely as an indication of this Association's views and will be discussed at a joint meeting of representatives of Employers' Associations to be held in Bombay towards the end of February, 1925, provided a sufficient number of Associations indicate their approval of this Association's suggestions as to the advisability of establishing a Federation of Employers' Associations.

The specific questions upon which my Committee would appreciate a very early reply are enumerated below.

(1) Does your Association agree that it would be advisable to establish a Federation of Employers' Associations in India?

(2) Would your Association be prepared to become a member of a Federation established for the objects roughly outlined in this letter?

(3) Would your Association be prepared to send one or more delegates to attend a meeting to be held in Bombay towards the end of February, 1925, for the purpose of

(*a*) nominating the employers' delegate to the next International Labour Conference,

(*b*) to discuss the details incidental to the formation of a Federation of Employers' Associations?

Basis For Proposed Rules And Regulations.

Name. 1. The Federation shall be called the All-India Federation of Employers' Associations or the Industrial Federation of India or the All-India Employers' Association.

(Three names are suggested but the actual name to be adopted would be decided at the proposed joint Conference and need not necessarily be any of these.)

Aims and objects. 2. (*a*) To nominate delegates, and advisers etc. to represent the employers of India at the Annual International Labour Conferences of the League of Nations.

(*b*) To take all steps which may be necessary for promoting supporting or opposing recommendations or conventions of International Labour Conferences.

(*c*) To take up, consider and discuss the subjects on the agenda of each International Labour Conference.

(*d*) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting or likely to affect, directly or indirectly, all industries or a large number of the industries of India.

(*e*) To make representations to Local, Central, Imperial or International Authorities on any matter connected with the trade, commerce or industries of any or all of its members.

(*f*) To take all steps which may be necessary to promote, encourage, foster and protect the commercial and industrial development of India.

(*g*) To encourage, promote and foster the formation and development of Industrial Employers' Associations.

(*h*) To secure wherever possible organised and/or concerted action on all subjects involving the interests of members.

(*i*) To inaugurate, foster and develop closer co operation between Industrial Employers' Associations.

(*j*) To undertake special enquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of members.

(*k*) To collect and circulate statistics and other information relating to the trade, commerce and industries of India.

(*l*) To co-operate with Government, public bodies, or any other Association for the purpose of promoting all or any of the aims and objects of the Federation.

(*m*) and generally to do all that may be necessary in the interests of the realisation of the above aims and objects of the Federation directly or indirectly.

Eligibility for Membership.

3. Any individual, partnership or company engaged in any industrial enterprise in India and employing more than 10,000 workpeople, or any Association of Employers whose members employ more than 20,000 workpeople shall be eligible for membership.

(This rule is merely suggested as a basis for discussion. The Federation would be essentially for employers' Associations but it is thought that some provision should be made to meet the cases of large individual concerns which cannot conveniently join any existing Association. For example there is no Association for employers connected with the Iron and Steel Trade, but it would be obviously unfair to exclude the Tata Iron & Steel Co, from membership if they desired to join the Federation. The same remarks apply to

other large concerns unconnected with any existing Associations.

The desirability of admitting individual firms in special instances employing less than 10,000 workers might also be discussed.)

Voting power of members.

4. At any General Meeting of members of Federation, and on any question upon which a vote of the general body is taken, every member shall be entitled to one vote for every 5,000 workers employed by that member.

Persons eligible to act and vote on behalf of members.

5. At least one month previous to each annual General Meeting of members, the Secretary for the time being of the Federation shall request each member of the Federation to nominate two or more persons in whose name voting power of the member is to be vested for the ensuing year.

6 There shall be two classes of members, namely,

(a) Original Members and (b) Additional Members.

(*a*) *Original Members* :—

The following employers or employers' Associations shall be the original members of the Federation.

(Those employers and bodies of employers of represented at the first meeting in January 1920 and those bodies who though not present have signified their intention of joining the Federation.)

(*b*) *Additional Members* :—

Such other employers or employers' Associations as shall be elected by a majority of the members of the Federation after having been duly proposed and seconded by two members.

Annual subscription.

7. The annual subscription shall be fixed at each Annual General Meeting. For the first year the subscription shall be fixed at each Annual General

Meeting. For the first year the subscriptions shall be decided at the joint meeting proposed to be held in February 1925.

(The principle it is proposed to lay down in the rules and regulations would be that subscriptions should be according to the number of workpeople employed by members.)

Officers.

8. There shall be a President, four Deputy Presidents, an Auditor and a Secretary.

The affairs of the Federation will necessarily be conducted chiefly by correspondence. It would hardly be possible to control the Federation by means of a representative Committee owing to the difficulty of arranging meetings, but it is suggested that all members of the Federations might appoint special Sub-Committees with fairly full powers to deal with Federation questions.

As regards the control of the Secretarial work of the Federation it is suggested that the method adopted by the Associated Chambers might be adopted, i e, the Secretary of the Association supplying the President for the year would be appointed Secretary of the Federation for the President's term of office.

There are of course very obvious disadvantages attached to such an arrangement, but it has the very great advantage of keeping the President in close personal touch with the Federation's affairs during the year or years he holds office.

Annual general meeting.

9. General meetings of the Federation shall be held in the month of January in every year, at such place as the Federation at the previous Annual Meeting shall have determined.

(The place of the meeting will generally be the city in which the Headquarters of the Association supplying the President for the year is situated.)

Business of Annual General Meetings.

10. The business of the Annual General Meetings shall be :—

(*a*) To receive a report of the proceedings of the Federation.

(*b*) To elect officers for the ensuing year.

(*c*) To consider and receive the yearly accounts.

(*d*) To fix the annual subscription for the ensuing year.

(*e*) To consider and discuss questions and resolutions submitted for the consideration of the General Body by individual members.

(With reference to Item (e) it is suggested that rules should be made regarding the date by which full particulars of any resolution must be supp'ied to the Federation by the proposing member, and the type of resolutions which could be accepted for discussion by the Annual Meeting)

At this stage it has not been thought necessary to put forward detailed rules for your consideration. After the basic principles have been agreed upon detailed rules could be framed by solicitors in consultation with the President and the Secretary, and circulated to members for criticism.

No. T-632, dated the 14th May 1925.

From Chamber to the Millowners' Association, Bombay.

With reference to your letter No. 91/39, dated the 29th January last with regard to certain proposals of your Association for the formation of a Federation of Employers' Associations, I am directed to send hereby the views of my Committee :—

1. My Committee agree that it would be advisable to establish a Federation of Employers' Associations.

2. This Chamber is prepared to become a member of a Federation established for the objects roughly outlined in your letter under reply.

3. This Chamber is prepared to send one or more delegates to any meeting which may be convened in this connection hereafter.

APPENDIX 77.

DEPARTMENT OF CHEMICAL ANALYSER, GOVERNMENT OF BOMBAY.

No. T. 939 dated 16th July 1925.

From Chamber to Government of Bombay General Department.

I am directed by the Committee of this Chamber to submit herewith a special representation to the Government with a hope that it will have early and careful consideration.

My Committee view with considerable apprehension the growing practice with the Chemical Examiner to Government of conducting analyses and examining and reporting upon commercial and economic samples submitted to him for investigation by the mercantile community and the general public. They strongly feel that this practice is not within the legitimate scope of his duties. The original objects of creating the post of Chemical Analyser to Government were the performance of duties connected with the chemical analyses and reports of samples submitted by the Customs and the Preventive Service and to assist the Municipality and District Boards as an examining officer under the Food and Poisons Act. His department, in general, was to assist on all chemical matters submitted by the various Departments of Government and as he had to deal with medico-legal and toxicological specimens his chief delegated responsibility was connected with Medical Jurisprudence, and this organisation was therefore placed under "Medical Department" and its Budget grant placed under "Medical Expenditure."

The numerous samples which used to be sent to this laboratory by the various Departments required a very large staff under a special highly paid officer. But with the establishment of new special Departmental laboratories such as the Bacteriological, Agricultural, Municipal and other laboratories, considerable work which was previously done at the Government laboratory was thus diverted to these laboratories. My Committee therefore expected that Government would reduce this large and expensive organisation maintained under Medical Expenditure. But this staff has been in point of fact still kept up, in our opinion, without any special justification and against the interests of the public. It may be that the maintenance of a large staff without sufficient work from Government has perhaps of late naturally led the Chief Chemical Examiner to Government and his staff to regularly obtain work from the mercantile community. Such work is not as hitherto, only confined to analysis and report of samples actually sent to him, but he has created a new practice of conducting surveys and valuations of commercial and economic products at mines or warehouses docks, and railway yards in or outside Bombay for internal as well as import and export trade. Certificates and Reports of such commercial products are issued on Government forms and over the official designation of Chemical Examiner to Government Exhorbitant fees have been charged for such opinions and certificates required for trade purposes. The reports and certificates thus issued for trade purposes by a Government Department are calculated in law to place the Government in a position for which no Government would like to accept responsibility. The Government Chemical Examiner, moreover, cannot it should be remembered, from the very nature of his position, accept responsibility either in his personal capacity or for Government. The public thus not being in a position to measure the value and responsibility attached to such certificates have been led to believe that they have been safe in getting their work done by Government Officers believing that Government would ultimately be responsible for the opinion expressed and the work done by their official and his Department. Government, my Committee believe, are aware of the growing practice in Bombay with the mercantile community to enter into contracts for sale or purchase

on the strength of Government analyses and reports. The buyer or the seller has thus no other option but to seek the aid of the Government analyst. In all transactions regarding ores and minerals stipulations are made for Government surveys, analyses and reports. Similar conditions prevail for various other commercial and industrial products.

This iniquitous practice is, we are glad to find, not yet allowed by Government in its other Departments. The Public Works, the Electrical Engineers to Government and various other Government Departments do not lend the services of their officers and the use of their Government facilities for trade and business purposes. It may be pointed out that such a practice is not followed to the knowledge of my Committee in any other country Even in England the Government Chemist is required to attend only to the work submitted by the various Government Departments.

The function of the Department of Government Chemist in London "consists of the examination of samples for inland Revenue purposes, the examination of Government stores of all kinds for almost every Government Department, the Chemical work of the, Geological Survey, the examination of the imported Dairy produce the analyses of samples referred to under the Food and Drugs Act and the Fertilisers and the Feeding Stuffs Act, of medicines under the Medicine Stamps Act and the investigations of problems for Government Departments, Royal Commissions, Parliamentery and Departmental Committees."

The acceptance of commercial and industrial work from the public by the Government Examiner in Bombay is evidently clearly outside the functions of such officers.

Some idea of the unregulated activities of the Department may be gained from the manner in which its income and expenditure are adjusted. The Chemical Examiner to Government and his staff charge very heavy fees for the examination and certification of large stocks of minerals and ores, foods, drugs and other articles of commerce but the fees thus received are not, it seems, credited to Government,

By a reference to the Budget for 1925-26, it will be found that the Department of Chemical Examiners has not made any contribution to the Revenue whereas under Expenditure, Estimates and expenses for the Department of Chemical Examiners is shown to be Rs. 83,000. In the preliminary issue of the Civil Budget Estimate, Government have shown how the Budget estimate of Rs 83,000 is made up. Besides the salaries, there are various other items, such as chemicals and instrument, freight, rent, rates and taxes and all other miscellaneous charges which are payable for the maintenance of the laboratory. All these expenses are debited to the Chemical Examiners, but the fees received by them do not seem to be credited to the Revenue. My Committee understand that the fees charged by them to the Public are retained by them as their personal earnings The Government receive only a trivial amount out of this for the actual cost of chemicals and gas used and make no charge to its officers for other materials, rent, water, apparatus and time spent by the officer and staff on such outside public work. The use of public revenues and facilities of a Government Department should not, be allowed to be utilised for the benefit of its officers in a manner which tends to sacrifice public interests and keep the mercantile community in a false sense of security. My Committee know that the Chemical Examiners are allowed private practice by Government, in addition to their official duties, but the position of the Chemical Examiner to the Government, the facilities and materials at his disposal and the responsibility accepted by his Department, destroy all relevances of analogies of private practice in other Government Departments. My Committee will therefore refrain in this instance from appraising the justice or otherwise of the conditions of appointment, the status, or the emoluments of the Chemical Examiners and his staff, but the high salaries paid to the officers of this Department with house allowances, rent and various other allowance are of such high and liberal scales that there should be left no room for the plea that they are badly paid and the necessity arises for supplementing their income by making use of Government building, materials and their official position by issuing certificates which carry very grave responsibilities and possibilities of misleading the public.

It may further be pointed out that the Government Chemical Examiner, who is by training and experience a medical and army man, is unqualified for want of personal contact with commercial and industrial life to undertake commercial, technical, analytical or consultation work affecting the interests of trade and industries of the country. The very nature and occupation of the Government chemist as a medical aid to Government precludes his coming in such close touch with trade and industry as do the Public Consultants and Analysts who have to devote considerable time in studying and following up the requirements of trade, new processes and the development of industries. It is only by close application and keeping in constant touch with the manufacturers and business houses that the Public Consultants and Analysts are in a position to submit a comprehensive report on materials and subjects relating to commerce and industries.

The appointments of Chemical Analyser and Examiner to the Government of Bombay and his assistants are mostly made from the Medical profession. The Chief Examiner is as a rule selected from the Indian Medical Service, generally from officers connected with the army. Most of the assistants to the Chief Examiner have also been medical graduates and only recently one or two graduates in Science were appointed as laboratory assistants. My Committee believe Government are aware of the special qualifications, training and experience required of Chemists in charge of laboratories where commercial products are examined, certified, surveyed and reported upon. It has never been known in England, or as a matter of fact in any other country we know of, that appointments for such highly responsible work requiring a high degree of experience and specialised knowledge of commercial and industrial conditions and requirements are held by men who have been trained up for medical practice.

There is another serious aspect of this question. In commercial law suits, in which considerable importance is attached to the reports of analysts and the opinions of Chemists, it is the general practice in this Presidency to obtain the evidence of the Chemical Examiner to Government. The Court in such cases naturally attaches great

importance to the evidence submitted by the alleged high authority and it is common knowledge that those of the independent profession who have appeared in the Courts have been most unreasonably and slightingly treated; and as there are no specialised expert lawyers in Bombay to help the independent professionals, the parties engaging the service of the Government Examiner enjoy an unfair advantage. If such practice is allowed to continue, there is a grave danger of miscarriage of justice apart from the fact that men who have specialised as Public Analysts by experience and training would be deprived of their legitimate work and their status lowered in judicial and public estimation. My Committee would rather refrain at present from citing any definite instances but those who have followed the conduct of such cases in law courts have realised that invariably the evidence tendered in spite of its merits and in spite of the qualifications and the experience of the Chemists giving their evidence, there is great tendency for the Court to be carried away rightly or wrongly in favour of the Government Chemist. The Government must therefore realise that times have passed by when Government officials by virtue of their high office and privileged position could be encouraged to express opinions on various commercial and technical matters of which they have inadequate knowledge, no training and experience.

My Committee earnestly request the Government to look into this matter not only from the standpoint of how it affects the interests of the trade and commerce of the Presidency, but on the broad grounds of national expediency as well. The practice mentioned above, might have had some justification when competent highly trained Chemists were not available in this country; we have to-day in the country a very large number of highly qualified and competent Chemists with great specialised experience obtained in this country, in America, England and other continental countries; many of these men have been obliged to depart from their legitimate professional work and engage in business or clerical work, work for which surely the country did not spend its public money on their training. Immense sums have been spent for scientific and technical institutions in this country and the Universities in India

have year after year turned out men with highest training in Chemistry. It is, my Committee submit, time that Government recognised that it cannot continue to spend on great, scientific institutions and technical education and at the same time carry on a strangulating competition with professional chemists of a nature that has no parallel in other countries. That such a competition is ruinous to the profession may easily be realised if an enquiry is made into the number of those who have received special high university qualifications in Chemistry during the last thirty years and the number of chemists who are actually engaged in this occupation. My Committee venture to say that hardly 3 per cent of the trained chemists were able to follow up their legitimate calling. The others finding it extremely difficult to get, on account of the ruinous competition set up by Government, any opening in this profession, and realising their mistake too late in life, were obliged to seek their livelihood elsewhere with the result that in their new calling they were not as successful as they would otherwise have been.

The practice of accepting commercial and industrial work is not confined to the Chemical Examiners; it is found from the Report of the Bacteriological Laboratory for the year 1923 that the Chemical Dept. of this institution was mainly engaged in examining samples of water; of 185 samples examined only 29 samples were examined bacteriologically and the rest 156 chemically. In a certain number of cases the samples were examined to ascertain if they are fit for boiler purposes! The Government will admit that the object of the Bacteriological Laboratry is bacteriological examination of water and under no circumstances could a reasonable plea be made to extend the services of their Chemist for boiler purposes. It is the function purely and simply of technical Chemists. There is another Government institution which also stands in competition with professional Chemists. The College of Agriculture does considerable work for the public without discrimination as to whether the samples are for the bona fide requirements of agriculture. In 1914 it was pointed out to Dr. H. H. Mann, the then principal of the College of Agriculture. Dr. Mann immediately put a stop to this practice but my Committee regret to find

that it is now resumed and continued to a serious extent. The Victoria Jubilee Technical Institute follows a simalr practice. The staff undertakes consultation, analytical and testing works from the public and makes use of the materials, apparatus and organisation meant for educational purposes.

Such an incursion of Government institutions and laboratories into the business life of the Presidency must be looked upon as seriously affecting not only the commercial and professional interests but as also retting back the progress of Chemistry in this Presidency. My Committee hope that the Government will see their way to put a stop to a practice which cannot be maintained on equitable grounds and much less on grounds of principles of good government.

My Committee in conclusion earnestly hope that government will on grounds of equity, economy, education and national exigency, put a stop to this practice by prohibiting the acceptence of work from the Public, by all Government Institutions, Laboratories and Departments and in laboratories and institutions supported by Government aid.

APPENDIX 78.

CONCESSION TO CUT TREES SUITABLE FOR MATCH MAKING BY THE GOVERNMENT OF BOMBAY.

No. T.-1242 12th September 1925.

From Chamber to the Government of Bombay (Transferred Departments) Excise and Forest Department.

My Committee are given to understand that some concessions to cut trees suitable for making matches from Alibag and Thana forests are granted to the Western Indis Match Mfg., Co., Ltd., a Swedish concern, working at Ambernath recently by the Government of Bombay.

I am directed by my Committee to enquire whether any such concessions are granted to the said Company by the Government of Bombay.

If the answer be in the affirmative, my Committee will feel obliged if you will kindly inform them about the nature of such concessions and terms on which they are granted by the Government of Bombay to that Company.

APPENDIX 79.

INTRODUCTION OF MESSAGE RATE SYSTEM BY THE BOMBAY TELEPHONE CO.

Dated 23rd July 1925.

From the Bombay Telephone Company Limited to Chamber.

Under instructions from my Board I have the honour to lay before you the position of the Bombay Telephone Company, Limited in this connection.

Hitherto a flat rate per Exchange Line has been charged and this at the present time is Rs. 300 per annum for a business line and Rs. 210 per annum for a residential line, and maximum charge permitted by the Government of India under the License to the Company being Rs. 350 per annum.

The use of the telephone which not many years ago was considered as much a luxury as a necessity, has spread so rapidly during the last ten years in Bombay as to necessitate a frequent revision not only of the charges but even of the system itself in order to meet the changing conditions. It is a generally accepted fact that the value of a telephone service to the public to a great extent depends on the number of lines connected to the system. The greater the number of lines the greater is the intrinsic value of a connection to each

individual subscriber. Also from the Company's point of view every new line put on means a potential increase in the calling rate of all existing lines.

In Bombay the demand for telephone connections due to trade boom conditions completely outran the supply in the years 1920-21-22. The Company in spite of the most strenuous efforts to keep pace with the demand had no less than 4000 unsatisfied demands for new connections on its books in July 1923.

To meet this demand the old manual System was scrapped and the new Automatic System installed at a very considerable cost to the Company. Work was pushed on with underground cabling to take the extra 4000 lines and last year for the first time the Company was in a position to satisfy all likely demands with a thoroughly up-to-date plant and with sufficient cable already laid for a future expansion of the system. Unfortunately owing to bad trade conditions the bulk of the new applications did not materialise and the Company found their position completely reversed, with an efficient system capable of carrying 11,000 lines and only about 60% of them required. One clear fact transpired from investigation into the thousands of ineffective applications, namely that the existing flate rate was too high to attract the small user now that values and incomes had settled down after the boom to a more stable level.

Having to carry the deadweight of such a large proportion of non-revenue producing plant, the whole question of the Company's service demanded careful investigation. The total number of lines in use remained almost stationary, lines being given up as rapidly as new connections were put on. As a result of the trade slump there was considerable change in the subscribers and it was almost impossible to obtain sufficient data in such changing conditions to show whether in estimating a potential capacity of 11,000 lines for Bombay in 1922 the Company had erred on the high side or not. It soon became increasingly clear that not until the telephone could be brought within easy reach of the small user to whom a lump sum payment of Rs. 300 or Rs. 210 was out of the question, was it possible to tap a new field for expansion, because the large users were strictly limited and

had already been fully connected. The considerable unsatisfied demand in 1920-22 had come from smaller users who doubtless during the boom had seen their way clear to paying for a telephone, but who after the slump were either not traceable or returned replies to the effect that they no longer required the connection applied for. It was therefore clear to the Board that only by some method of reducing the charge for telephones to attract the small user was it possible to expand the service to the degree required and provided for.

After consulting experts from England and after examining the results obtained in Calcutta by the introduction of a message rate system and after careful enquiry from all classes of users and prospective users in Bombay by means of canvassers, the Directors came to conclusion that the position in Bombay could only be retrieved by so adjusting the charges for the services as to make it available in the only direction of large expansion, namely, the smaller user.

Except possibly in the early stages when the telephone is first introduced, a flat rate where the small user pays the same price as the large user is thoroughly unsound both from the revenue producing point of view as well as from the public service point of view with the result that practically the whole of Europe has adopted the message rate and America has started to do so. The sound commercial principle that services should be paid for in proportion as they are used, is now applied almost universally in the case of all public utility services such as railways, Electric Light and Power, Post and Telegraphs. Perhaps one of the best examples is that of the old London "Two Penny Tube" where originally the fare was 2d. no matter what the length of the journey might be. It was not until the authorities grasped the uneconomic basis of this charge and varied it according to the distance travelled that the Tube became popular as quick and cheap means of conveyance for the public and remunerative to the Company as a profit earning concern. It is unnecessary to cite further examples of what has now become a recognised economic fact.

The same argument applies to the Flat Rate charged for Telephone service in Bombay. The large business users whose calling

rate may be 80 calls per day pay the same rate of Rs. 300 as the small business man whose calling rate is 10 calls a day. This on the face of it is inequitable and a distinct burden on the small user who in reality is paying for the big users' excess service The result of this inequitable system is that the telephone is a luxury beyond the pockets of a man of small means, and the large user has obtained what to him is almost a necessity at very much under the market price.

At the present time the Company has in Bombay the following Exchange Equipment which is in use only to the extent indicated :—

Exchange.	Capacity.	In use.	Not in use.
Central	7,000 lines	4,633 lines	2,337 lines
Gell Street	4,000 „	2,058 „	1,924 „

In order to attract the small user it is necessary to adopt a scale of charges which will permit of his paying less than the present minimum rates.

If, however, the present minimum rates are reduced, then it is necessary that the flat rate should be abandoned, as the conditions frequently experienced of increasing turnover automatically reducing unit costs do not obtain in the case of the telephone, owing to the cost of making communication with all other users available to each new user being greater after a certain point, as the total number of users increases and for this reason it is impossible to obtain the necessary revenue by a mere reduction of the flat rate charge however large an increased number of users might result. In this connection, I would refer to the extract from the Departmental Committee 1920 Report regarding "Cost as Development proceeds" on page 32 of the Report of the Bengal Government Telephone Committee on the Message Rate system of charges for the Telephone Service.

It must, however, be borne in mind that the proper unit of cost to the user is the cost of a call, not the charge per instrument, and from this it follows that the equitable basis of charging for the service must also be the number of calls.

It would therefore appear :—

(1) That it is desirable to increase the number of subscribers in order to increase the utility of the telephone;

(2) That such an increase can only be brought about by decreasing the charges to small users;

(3) That the only practicable method of making such a decrease of charges possible is to base charges mainly on the number of calls.

It is obviously essential that any such scale of charges should be such as will produce sufficient revenue to pay the expenses incurred in providing the same. It is also necessary for the protection of the real user of the telephone as well as of those providing the service, that some minimum charges should be made, regardless of the smallness of the extent the service is used, to cover the cost of installation and to pay interest and provide depreciation on the capital expenditure necessitated by each installation. For the reasons outlined above the remaining expenses of the service should be borne by the subscribers in proportion to the calls they make.

The above requirements seem to be best met by the introduction of Message Rate system of charges. My Board can see no good reason to differ from the conclusions reached after very full enquiry by the Bengal Government Telephone Committee, and they have accordingly decided to apply to the Government of India for leave to introduce the following scale of charges already sanctioned for and put into force, in Calcutta :—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the Contract for an Exchange Line to be fitted ... ... Rs. 30 0

This charge only to be made in respect of a new installation.

Fixed rental for an Exchange Line ... Rs. 12/ per mensem.

Call Charges ... ... 12 per rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 % from the charge for calls to be allowed for prompt payment.

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

In doing so they are fortified by the fact,

(1) That the message rate, has, in fact, been adopted in almost all large centres throughout the world.

(2) That it is equitable in its incidence and that it tends to improvement in the efficiency of service, owing to the elimination of a considerable portion of unnecessary calls, and encourages large users to have an adequate number of Exchange Lines with consequent reduction in the number of unsuccessful calls due to lines called being engaged.

(3) For the small user it provides service at a low cost in proportion to its use and payable for the most part in monthly instalments which must appeal to the man of small but regular income.

Experience bears out the view that the introduction of the Message Rate will result in :—

A. Increased efficiency

B. Increased number of users

C. Increased utility

and that these results will be followed by the number of useful calls increasing which will tend to decrease the cost per call to the user.

One of the arguments which has frequently been used against the message rate is the risk of inaccurate charges being made by the Company and consequent disputes arising between the subscribers and the Company. The Automatic System overcomes this objection as calls would be recorded automatically by meters and the element of human error is thereby eliminated; moreover, only effective calls where the caller actually obtains connection with the number called, would be so registered by the meters.

In placing the matter before you it has been thought best to set out only the more salient features and to send as an accompaniment the Report of the Bengal Government Telephone Committee in which the whole subject is dealt with in considerable detail. I am also asked to state that if any further information is desired, I shall be happy to endeavour to supply it or to meet any representatives who may be appointed by your Chamber for the purpose of discussing any questions arising. My Board will be pleased to receive any comments or suggestions that your Chamber may have to make after perusing these papers.

Extract from the Departmental Committee 1920 Report regarding "Cost as Development Proceeds."

It may be well to anticipate the common criticism that the unit costs of the telephone service may be expected to fall as the system extends, and that the present high prices should be met by stimulating the development of the service instead of by raising the tariff, which will tend to restrict it.

Experience, however, shows that there is no net reduction in costs as development proceeds. Administrative, accounting and other overhead charges do not, of course, increase in the same ratio as the number of telephones or calls, and further standardisation

and mass production may effect some reduction in the cost of the particular items of apparatus. It is also true that as the number of lines in an area increases, the unit cost of the line plant tends to fall, since it becomes economical to replace overhead wires by underground cables carrying large numbers of cirtuits, with relatively small annual charges for depreciation and maintainance; and the larger the number of subscribers to be served, the greater becomes the capacity of the cable system which can profitably be laid, and the smaller the average cost per wire in the area.

But the savings under these heads are neutralised by the increase complexity, and cost of the Exchange plant and of the operating arrangements, which are required to give a large number of subscribers inter-communication with each other. The equipment of a small Exchange, which can be worked by one or two operators is relatively simple and cheap. At a large Exchange, the subscribers' lines have to be distributed among many operators, and although each operator has only to answer the calls originated by subscriber in her own group, she must be provided with means, by what is known as "multiple" equipment to establish connection with any line in the Exchange. Thus the cost per line for multiple Exchanges of different capacities, each equipped for the average calling rate would work out in a single Exchange area approximately as follows :—

		£	
For	200 subscribers	7.0	per lines.
	1,000 „	10.0	„
	5,000 „	11.2	„
	10,000 „	12.3	„

Again, a populous area requires not one but several large Exchanges, between which inter-communication must be provided by means of an elaborate system of junction wires which expands in an increasing ratio as the number of Exchanges grows. London, for example with 1,50,000 subscribers' lines and 81

Exchanges requires some 17,000 junction circuits with over 1,50,000 miles of double wire, while Manchester, with 20,000 subscribers' lines and 23 Exchanges, has about 1,850 junction circuits with 8,000 miles of double wire. Additional switchboards of special type are required for junction working, and these increases the cost per line for Exchanges in a large local area to the following average figures :—

		£	
For 200	subscribers	8.0	per line.
1,000	„	13.2	„
5,000	„	14.6	„
10,000	„	17 0	„

Additional operators have to be provided to serve the junction circuits and, further, the times required to deal with a junction call (and hence the operating cost) is greater than when the call can be completed on the home Exchange.

Whereas an operator at a large self-contained Exchange of modern type could handle the cal's from about 147 subscribers' lines, it is necessary, with the same daily number of calls per subscriber, to provid an operator for every 72 lines in a large multi-exchange area, which necessarily has a high proportion of junction traffic.

Speaking generally the economies in plant construction which accompany development in any area are neutralized by the expen diture which results from the increased complication of the plant and operating methods required to furnish inter-communication. The advantage therefore which the individual subscriber must look for, from the development of the system, lies not in a prospective reduction of his subscripcion, but in the increase in the number of persons with whom his telephone gives communi cation.

No. T 1054 13th August 1925.

'From Chamber to the Bombay Telephone Co., Ltd.

I am directed by the Committee of this Chamber to send hereby their views with reference to your letter of 23rd July, 1925, relating to message rates.

2. At the outset it may be stated that Telephone Service should be considered one of Public Utility Services and that in this respect a Telephone Company should have its scope and functions differentiated from those of other Joint Stock concerns. Being then a Public Utility Company a Telephone Company is naturally expected to pay principal attention to needs and conveniences of the public and not to make profit-earning its leading consideration. It is because of this that my Committee consider it extremely strange and curious that the Telephone Company has not thought it necessary to submit any statement of its past accounts nor estimates of revenue and expenditure along with the scheme which proposes at a stroke to make one of the commercial services so very costly for the general public and specially the business community. The Telephone Company has merely given a few facts with regard to the present system which too is not shown to be worked at a loss. If the public and the commercial community are expected to support suggestions calculated to bring in additional revenue they must be convinced of the necessity of such an increase by the facts showing that the expenditure has outstripped the revenue and that expenditure is all of a legitimate character which cannot be cut down. It is in fact a *sine qua non* for the consideration of any increases in rates by any Public Utility concern like Railways, Post, Telegrams or Telephones that they should be able to show that they are not able to carry on their working with any profits under the existing rates.

3. My Committee find that the rates in 1913-14 were as follows :—

Rs. 200/-for business lines.

Rs. 135/-for residential lines (raised from 110/ to Rs. 135/ from 1st July 1913).

The cost of living to-day is about 70 to 80 % over pre-war and in many kinds of materials and stores the present rates are less than 50% over pre-war. The company already charges

Rs. 200/-for business lines, and

Rs. 210/-for residences,

which, in the opinion of my Committee, fully covers the increase that may be reasonably claimed on the ground of increased costs of materials and labour.

4. My Committee are glad to note that it is the object of the Telephone Company "to attract the small user" and "expand the service to the degree required and provided for". These objects, however, my Committee are afraid, cannot be secured by the methods now proposed to be adopted by the Company. My Committee have carefully considered the new system of message rates and have come to the conclusion that it will not only not attract the class of so-called "small users" but will lose the patronage and support of a large proportion of its big constituents. Even these small users who make only 100 calls per month will have to pay annually not less than Rs. 240, between which and the present total subscription of Rs. 300 there is not so much appreciable difference, so as to make the new terms in any way an inducement to the small users. On the other hand business firms which have generally between 20 and 30 calls per day will have to pay twice and even thrice the amount of their present subscription. As to residences those making 100 calls a month will be called upon to pay Rs. 240 against their present subscription of Rs. 210 and one could hardly expect less than 3 calls being made from residences. It is an increase which, my Committee emphatically say, business and residences cannot bear at any time and specially under the present circumstances. My Committee cannot find any single justification for such a course and beg to protest most strongly against the proposals made by the Telephone Company.

4. The Telephone Company appears to lay much stress on the experiment introduced in Calcutta of the message rate system and the report of the Bengal Government Telephone Committee which

preceded it. My Committee feel that the system introduced in Calcutta is still an experiment and that its introduction does not prove any justification for a similar experiment being introduced in this City.

Dated 28th August 1925.

From the Bombay Telephone Company, Limited to Chamber.

I am directed to acknowledge receipt of your letters T. 1043 and T. 1054 of the 11th and 13th instant respectively.

My Directors cannot agree that unless the system is being worked at a loss or without profit the question of the revision of the rates of charges does not arise. It need hardly be pointed out that if this were the position it would be impossible to obtain funds from the public for financing such public utility companies.

This matter has been dealt with by Government in the License to the Company which provides that in the event of the net profits of the Company available for dividends exceeding 12½% on the paid-up capital, the excess is to be applied as follows :—

1/3rd to those telephone subscribers on the books at the date of declaration of such dividend pro rata to the amount of their respective subscriptions for the past year, the amount so credited to be allowed by way of rebate from his subscription or if he is not a subscriber, to be paid in cash ;

1/3rd to be paid to Government ; and

1/3rd to be distributed by way of further dividend among the members of the Company.

The amount to be set aside for depreciation and reserve or otherwise is also limited under the License and must not exceed 8% on the paid-up Capital of the Company whether in the form of share capital or debentures.

The results of the operations of the Company in the last three years have already been supplied to you and from these you will clearly see that the Company has not in fact been in a position to pay a reasonable dividend to the ordinary shareholders the dividends in the last three years having been 4½%, 4½% and 2% respectively.

With reference to the comparison which you draw between the rates charged in 1913-14 and those subsisting today, I am instructed to point out that the shareholders of the Company have at great expense installed the most up-to-date system of Telephone provided in any big city in India today and that quite apart from any question of increased cost of labour and material, the improvement in the service given is such as in itself would warrant a very considerable increase in the rate of charges.

I am also desired to point out that while the actual subscription charged for a Business Exchange Line is Rs. 300 per annum, the License permits of a charge of Rs. 350 per annum and that it is only because, after very careful consideration, my Directors have come to the conclusion that the massage rate system of charges is one by which they can economically attract the small user, whereas an increase of the flat rate could only have the opposite effect, that they have put forward the proposals to adopt the former. The saving therefore which small users will make is not the difference between the amount payable on the message rate and Rs. 300 but the amount payable on the message rate and Rs. 350. In addition to the considerable saving the proposed system of charges will have another advantage from the point of the view of the small user in particular viz. that instead of paying Rs 350 in one sum in advance he will, if making only about a hundred calls a month, be paying a monthly sum of about Rs. 20.

As to the point that business lines will pay considerably more under the message rate than under the flat rate, the answer to this is that under the flat rate large users of the telephone have been very considerably undercharged in proportion to the services availed of by them.

Although it is true that the message rates ystem has only been comparatively recently introduced in Calcutta, I am instructed to

draw attention to the fact that from information received it is clear that so far it has been a successful experiment as is evidenced by the fact that the number of users has very largely increased and the average message rate line is paying at a rate not only lower than Rs. 350, the rate sanctioned under this Company's License, but very much lower than the rate of Rs. 300, per annum at present charged by this Company.

My Directors therefore cannot agree that there are any grounds for your statement that business and residence cannot bear the proposed rate of charges either now or at any time, and far from accepting your view that there is no single justification for such a course, they feel there can be no justification for the adoption of any other course.

I am also instructed to state that my Directors have based their views not only on the findings of the Bengal Government Telephone Committee and on the successful results so far obtained in Calcutta, but also on the actual experience of other big Telephone Systems, e. g. British Post Office Telephone.

I send as requested the Accounts asked for in your letter of the 11th instant. I shall be glad if these can be returned when they have served their purpose.

No. T 1381 30th September, 1925.

From Chamber to the Bombay Telephone Co., Ltd.

I am directed to acknowledge receipt of your letter of the 28th August last, which has been very carefully considered by my Committee.

The principal points made in your letter are :—

(1) that the Company has not in fact been in a position to pay a reasonable dividend to the ordinary shareholders, the dividends in the last three years having been 4½, 4½, and 2% respectively; and

(2) that the shareholders, of the Company have at great expense installed the most upto-date system that quite apart,

from increased cost of labour and material, the improvement in the service given is such as in itself would warrant a very considerable increase in the rates of charges."

Taking the second point first, my Committee find that at the time of renewal of its contract "the Company has been given authority when complete modern equipment has been installed to increase its rates of subscriptions in order to meet the general increase in working expenses and cost of materials."

It is therefore clear that the installation of the most upto-date system and an improved service was one of the considerations apart from increase of cost of material and labour on which the authority to increase the rates was sanctioned by Government. It is therefore upto your Company to show that the rates now charged do not sufficiently compensate for increased cost of material and labour. An examination of figures would show that the present costs and charges are only 48·6% of the net income as against 51% in 1913 and 1914, so that the anticipations of your Board that the automatic system would prove more economical than the manual system have amply justified. Even this figure of 48·6% does not convey a true picture of the real state of affairs because according to your letter of 23rd July last, out of 11,000 Bombay lines only 6721 are in service and the rest 4279 are idle. This means that the burden of the repairs and maintenance of these 4279 lines also falls on the 6721 working lines. If the Rs. 9,84,000 of Traffic Maintenance and other charges were equitably distributed over the working and the idle sections, some three lacs whould have to be allowed for the share of the idle lines and the percentage of working expenses to the total nett income would be not 48·6 % but only a little over 32·3%. This is ample proof that the rates now charged for the use of the Telephone are not on the low side and that on the contrary they leave a larger nett margin to the Company than the 1913-14 rates did.

This brings my Committee to a consideration of the real source of the trouble. Your Company, like a great many others

in other lines of activity, were led away by the trade boom conditions of 1919-20-21 into a belief that the demand for their product had greatly outgrown its then capacity. Consequently a very ambitious scheme of expansion was launched and many thousand more lines were erected than there were takers for, when the service was ready. When the boom subsided and a trade depression supervened, this supposed enormous demand faded away. In your Report for the year 1924 the position is fairly accurately described. The Report says :—

> "It is most unfortunate that after making ample provision for a rapid increase in the number of subscribers the very numerous applications for new telephones which were registered with the Company failed to materialise. The Company is in a position to connect several thousands of additional subscribers at a very small capital cost and a revival in trade will undoubtedly result in an immediate marked increase in the Company's revenue."

We agree that it is unfortunate but the fact remains that laying yourselves out for so many thousand additional lines in anticipation of demand was an error of judgment on the part of your Board, and my Committee do not see any reason why the consumer should be made to pay for it as your present proposals aim at doing. Other industries have made similar mistakes. Cement is a case in point, where a similar error of judgment as to the probable demand has been made, and the result in all industries has been a very considerable lowering of the price charged for their product. My Committee very strongly feel that a real solution of your difficulties lies in the same direction.

You argue, in your letter of the 23rd July, that "it was almost impossible to obtain sufficient data to show whether in estimating a potential capacity of 11,000 lines for Bombay in 1922 the Company had erred on the high side or not." My Committee regret they cannot take the same view. The previous experience of your own

Company of the yearly increasse in demand could, and should have formed some guidance. My Committee have tried to see what the increase of connections was from year to year from the tabular statements at the end of your Reports and they find that these figures do not warrant anticipations of increases of more than 500 connections per annum in years of good trade while in years of poor trade the figure falls to half or even less. The experience of the years 1921 and 1922 themselves should also have been a warning to the Board not to go too fast. The new connections fell to as low as 63 in 1921 and in 1922 there was no increase but actually a decrease of 33. The trade depression was already very marked when your Board was considering its final programme of expansion and there was certainly little room for enthusiastic anticipations of enormously increased business. My Committee do not wish to be charged with being wise after the event and do not wish to unduly emphasise the error of judgment on the part of your Board, but they cannot help feeling that it was an error which might have been averted if the figures of the progress of your Company year by year in good as well as bad years had been carefully studied. In any case such a study makes your case for making the consumer pay for such error weaker still.

If this error had not been committed and if your Company had rested satisfied with an installation of only 8,000 lines instead of 11,000, would have allowed for a reasonable expansion of demand and might yet have reduced the new capital expenditure by some 20—25 lacs. This would have meant a saving of Rs. Rs. 1½ to 2 lacs in Debenture Interest and would have made a very important difference in the Dividends on your ordinary shares.

Coming now to a consideration of the Dividends that your Company has been able to pay in the past 3 years, my Committee find that here again, a closer study of the figures is necessary before any one can agree that the Dividends are unduly low. Such a study involved a consideration of

1. The real nett income that should be available for dividends
2. The real capital amount, and

3. The nett dividends possible on such capital.

Taking the second point first, my Committee find that the Company was reconstituted in 1922. An examination of such reconstitution discloses some curious features. Upto the end of 1920 we find that a paid up capital of only Rs. 16·79 lacs had proved sufficient and the rates must have been so profitable that reserve and depreciation funds of nearly 22 lacs had been built up after paying handsome dividends on the paid up capital of Rs. 16·79 lacs. The number of lines was then already as many as 7929 or only about 900 less than the number actual working today. The capital was raised to 20 lacs paid up in the next 12 months and then came a most extraordinary reorganisation. A further 10 lacs capital was issued at Rs. 50 premium and then a further 45 lacs was issued as a bonus to the holders of the 30 lacs of capital paid up in cash. There was no appreciable intervel between the issue of the 10 lacs of new capital and this 45 lacs of bonus shares. In fact, share holders were openly told that as soon as the first stage (issue of 10 lacs) was complete the new as well as the old shares would be exchanged for 2½ shares of the same value. It was really an issue of 45 lacs of bonus shares to the old capital of 20 lacs and the new shares were probably issued to prevent the bonus operation attracting too much attention. Even so my Committee have felt great difficulty in understanding why this manipulation of capital was at all undertaken, because the amount divisible among the shareholders would remain the same and it made no difference if such dividend was called a dividend on 2 shares or 5 shares. They have come to the conclusion that the motive for this seemingly unnecessary reconstruction is to be found in the condition Government has imposed on the Company by which after 12½% has been paid on the Ordinary shares any surplus profits had to be divided into 3 parts and one part each went to the Government, subscribers and the shareholders, respectively. It was evidently considered by your Company that keeping the capital as it stood would result in the dividend figures appearning very big and your Company being called upon to share surplus profits with Government, and the device was therefore no doubt adopted of inflating 30 lacs into 75 lacs. 12½% on the 75 lacs is 9·37½ lacs and distributed on 30 lacs

the original capital would mean a dividend of over 31%. Therefore by this comouflage the Company would not be called upon to share its profits with Government until the original shareholders had received 31 %.

You will no doubt argue that the re-capitalisation was based on a valuation. My Committee would, however, point out that companies in other lines of activity—notably cotton mills, both in India and elsewhere had also had their capital revised upwards on the basis of supposed intrinsic values of the property,and many of them have already had to undergo a drastic downward revision under the stress of trade depression. Your Company being a public monpoly is in a more fortunate position as there is no competition and it has the consumer practically at its mercy, but my Committee feel that the limit is indeed reached, when inadequacy of dividends on such reconstructed capital is made the basis for an increase in telephone charges.

The next point that my Committee would emphasise is faulty capitalisation. They find that the 95 lacs required for the change-over to automatic telephones were provided as to 75 lacs by Debentures and only 20 lacs by new money from the shareholders. From the experience of the period down to 1920 your Board no doubt thought this the best form of capitalisation, as 12 to 14 % might be earned on the total capital invested and after the 8½% had been paid to the Debenture holders the margin would go to provide much bigger dividends to the ordinary shareholders. Whatever the reason for this undesirable distribution of capital, the fact remains that the 70 lacs shown in the 1924 accounts are all for fixed capital expenditure, and ought to have been found by preference or ordinary share capital. If this had been done the amount that now goes to interest on these Debentures would form part of the Divisible profits and nett result for the year should be Rs. 11.96 lacs which should give a clear 6% on 100 lacs of capital (30 plus 70) and leave 5 lacs for Depreciation.

This takes no account of the fact that profit would be actually larger by some 3 lacs, and the capital smaller by some 20 lacs but for the sad error of judgment as to the prospective demand that has been discussed above. If the figures were readjusted to eliminate

this error, the profits would be nearly 15 lacs and the capital entitled to dividends only 80 lacs which would enable a dividend of 10—12% to be paid if desired.

As will be seen from the foregoing my Committee have after carefully going into the figures of your own Reports, come to the conclusion that there is no justification whatsoever for an increase in the present rates. The dividends 4½—4½—and 2% that you consider unsatisfactory are really 11¼—11¼ and 5% if calculated on real capital. These cannot but be considered highly satisfactory in a time of serious trade depression when so many concerns have to go without dividend or face heavy losses. Even these dividends would be still larger but for the ill-advised capital arrangements of your Company by which such a large part of the total new capital expenditure had to be found by Debentures at the extremely heavy rate for a public utility company like yours of 8½%. Even such ill-advised capital arrangements would not have adverse effect on the Company's position that they appear to have but for the very serious error of judgment on the part of your Board as to the size of the prospective demand. It is this error that has burdened the Company's revenues with larger Debenture charges and larger maintenance and operation charges for the lines now lying idle than would otherwise have been the case and deprived the nett divisible profits of several lacs of rupees that would otherwise be there. My Committee very strongly feel that there is no justification for the Company to call upon the consumer to pay for its own mistakes.

In view of the remarks made above, my Committee have not thought it necessary to go into any details of the distribution of profits as they will unduly burden the present letter but they wish to draw attention to the much larger allocations out of nett profit for depreciation as also the writing off of large slices of the underwriting commission, and to point out that the argument as to smallness of present dividends seems to ignore these allocations also.

My Committee have carefully considered what your Company could do, to make the the public take up the 4261 lines still lying idle today. They would make the following constructive suggestions:

1. The Company should at once put into practice its own suggestion to collect subscriptions by monthly instalments. There is no doubt that this will prove an attraction to many small users.

2. The Company should have more active propaganda made for their own scheme of Rs. 150 each a year for residential telephones for two subscribers within a quarter of a mile of each other, and facilities provided so that intending subscribers may get in touch with a second subscriber under this scheme.

3. The Company should also offer a discount of say 20% to any subscribers who takes more than one line on each additional line after the first. This will safeguard present lines being kept at present rates and new lines being taken up by many businesses and even by some residences.

If the above suggestions are adopted, my Committee feel that the 4261 lines now idle will soon be taken up. Your letter of the 17th September shows that of the 6739 lines working in Bombay as many an 4103 or 60% were business lines. It would therefore not be extravagent to assume that the distribution of the 4261 lines now idle among new subscribers would be about similar. But to be on safe side we shall take it as 50 to 50 and also take it that the rate of subscription will all come under the 20% discount concession. This will give the following income,

2131 lines at 240	...	...	...	Rs. 5,11,200
2131 „ „ 168	...	...	...	„ 3,58,000
			Total Rs.	8,69,200

This should be practically all nett addition to your present income and should enable your Company to pay additional 10% or more even on your reconstructed capital and would mean an extraordinarily large dividend on the original capital of 30 lacs.

Dated 29th August 1925.

From the Bombay Telephone Company Limited to Chamber.

I am directed to acknowledge receipt of your letter No. T/1381 of the 30th September 1925.

2. I am desired to point out that though the incidence of the unused plant belonging to the Company is very considerable, it is nothing like as great as your Committee assume.

3. You say "This means that the burden of the repairs and maintenance of these 4279 lines also falls on the 6721 working lines. If the Rs. 9,84,000 of Traffic Maintenance and other charges were equitably distributed over the working and the idle sections, some three lacs would have to be allowed for the share of the idle lines and the percentage of working expenses to the total nett income would be not 48.6% but only a little over 32.6%." This however is not the position. Of the Rs. 984,000 which you assume would be distributed over the whole of the working lines in the event of the present idle lines on the Automatic Exchanges in Bombay going into service the cost of "Traffic" Rs. 2 lacs would not increase but out of the Rs. 5 lacs "Maintenance" charges only about Rs. 1,40,000 being the cost of maintenance of the Bombay Automatic Exchange and the maintenance of the Company's manual system would be unaffected. The rest of the maintenance costs which are incurred in Bombay outside the Exchanges would increase proportionately. Some items in "Other Charges" would increase and some would remain stationary. Of the Rs. 2,77,000 "Other Charges" being a part of the Rs. 9,84,003 to which you refer, appromximately Rs. 1 lac would remain stationary and the remainder would increase. The deductions made by your Committee in this connection are thus incorrect.

4. My Board entirely agree that, as matters have turned out, it would have been better for the time being to have an exchange of a smaller capacity. They cannot however accept your views as to the indications which were before them at the time when a decision on this subject had to be made. In the first place at that time, according

to the applications in hand, practically the whole of the additional lines which have been installed were required immediately and the only margin for expansion was thus to come out of the applicants whose applications might be withdrawn. Having regard to the war period when no additional lines could be given, the pre-war statistics as to the probable expansion were of little or of no value as an indication of future prospects. My Board cannot help feeling that the outcry would have been very great, and justifiably so, had they failed to meet the demand which apparently existed in the post-war period. As to the experience of the years 1921/22, the number of connections was low owing to the limit of the Company's equipment. The decrease of 33 in the year 1922 to which you refer, arose out of decreases in Karachi, the actual number of Exchange Lines in Bombay having increased in that year by 16. The increase in the number of Exchange Lines in Bombay in 1923 was 563.

5. It is because my Board agree with your Committee's views that a real solution of the difficulty lies in the reduction of charges that they have proposed the introduction of the Massage Rate System of Charges. The reasons why it is impracticable to fix a lower flat rate charge are referred to at some length in my original communication of the 23rd of July last and its accompaniments. This being so, my Board have been forced to the conclusion that the charge must be based mainly on the number of calls if the desired increase in the number of users is to be brought about.

6. The terms on which the assets of the old Bombay Telephone Company, Limited, were taken over by the new Bombay Telephone Company, Limited, were approved by Government at the time the continuation of the license was arranged and it is hardly conceivable that this approval would have been given if they had been otherwise than equitable having due regard to all the relevant fact and circumstances.

7. The fact that the introduction of the automatic plant necessitated borrowing large sums at the high rate of 8½% was due to the monetary conditions at the time which left no alternative,

8. While my Board cannot agree with you that the dividends paid by the Company during the last three years can be regarded as satisfactory, their anxiety in the matter would be considerably relieved if they could expect no further decrease, to be followed by a reasonable increase as conditions improve. This however is not the position.

9. With regard to your suggestions, I am desired to say,

(1) the collection of subscriptions by monthly instalments would necessitate the provision of an amount of approximately Rs. 81/2 lacs and unless and until the Company's affairs can be placed on a somewhat more satisfactory footing which in the opinion of my Board can only be by the introduction of the Message Rate System of Charges, the provision of such a large additional sum of money is inadvisable.

(2) The Company has at present a staff of canvassers endeavouring to persuade the public to take telephones including those given on the party line system. The results, so far as the party line system is concerned, do not appear to justify any considerable expenditure on propaganda in this connection.

(3) The offer of a discount of say 20% to any subscriber who takes more than one line on each additional line after the first, would cost the Company a sum of approximately Rs 40,000 per annum in respect of those present subscribers who would benefit under this concession.

10. While no doubt a few businesses would see their way to take additional exchange lines at the reduced rate, my Board cannot agree that the number of lines so taken would compensate them for this loss, their view being that it is only to the potential small users who now do not have a telephone at all that they must look for any considerable number of additional subscribers.

11. For reasons which have already been indicated the income resulting from additional lines is nothing like as great as that suggested in the last paragraph of your letter. The additional capital cost incurred apart from the existing equipment on each of the new lines

would be approximtely Rs. 130/. The additional cost of maintenance per line would be about Rs. 50 per annum. The increased charge in respect of maintenance and depreciation would thus amount to over 21/2 lacs per annum and increases in other expenses ("Other Charges") would bring about a total increase of expenditure of over Rs. 4 lacs per annum. If therefore the suggestions of your Committee were adopted and as successful as they anticipate they would be, the net addition to the Company's income would be about Rs. 4 lacs, instead of Rs. 8, 69, 000 as you suggest.

12. Unfortunately as indicated above, the only potential class of users which is likely to take up a considerable number of lines seems to be the small user who would not benefit by the proposed reduction, but who would, on the contrary, be asked to pay a figure disproportionately higher still than the large user.

13. The following information supplied by the Bengal Telephone Corporation, Limited, proves clearly that in Calcutta the Message Rate System of Charges has been a very great attraction to the small user.

14. For the month of September out of 6800 lines, 4167 obtained a refund from the fixed rental, because their calls were less than 90. In other words, 61·2% had bills for the month amounting to less than Rs. 19 each. Of the total of 6800 lines, 1990 were "Residence" and the balance 4810 were "Business". A certain number of residence lines made more than 90 calls during the month, but even assuming that all residences had made calls under that limit there must still have been 2177 business lines which were also paying under Rs. 19 per month.

15. The average rental for the month on all Telephones worked out at Rs. 20/3/10 for the month or after deducting 5 % allowed for Bills for calls if paid within 10 days, Rs. 20/7/2. As further evidence that the Message Rate continues to appeal to the public and especially to the small business man, the following figures relating to the contracts for new lines coming in are illuminating :—

WEEK ENDING.

	Aug. 5th	Aug. 12th	Aug. 19th	Aug. 26th	Sept. 2nd	Sept. 9th	Sept. 16th	Sept. 23rd	Sept. 30th	Octr. 7th
Business ...	22	23	33	20	14	21	10	23	12	22
Residence...	13	15	11	11	13	10	19	15	9	21

16. The number of Business lines applied for is, week by week, larger than the number of Residence Lines.

17. The case for the introduction of the Message Rate System of Charges from every point of view except the natural reluctance of the large user to pay more thus seems to my Board to be overwhelming.

No. 5136-G/24, 18th November, 1925.

From the Government of Bombay Revenue Department to Chamber.

I am directed by the Governor in Council to forward a copy of the letter dated 21st July, 1925, from the Bombay Telephone Company addressed to the Government of India, Department of Industries and Labour, and to request that this Government may be favoured with the views of your Chamber on the subject.

From R. H. Parker Esq., Secretary to the Bombay Telephone Co., Ltd., to the Government of India, Department of Industries and Labour (Posts and telegraph Branch) Simla.

I have the honour, under instructions from the Board of Directors, to address you on behalf of the Bombay Telephone Company, Limited, under the following circumstances.

2. The Bombay Telephone Company Limited, the predecessors in title of the present Company who carried on business under the same name held the following licenses from Government viz :—

License dated the 9th February 1911, for the islands of Bombay, Salsette and Trombay.

License dated 9th September, 1903 for Ahmedabd.

License dated 31st March, 1912 for Karachi.

Copies of these documents are annexed as Appendices 1, 2 and 3 hereto.

The said Licenses were modified by three agreements dated the 30th March, 1922.

Copies of these documents are annexed as Appendices 4, 5 and 6.

4. The present Company was duly formed as contemplated by Clause 4 of each of the said agreements to acquire the property assets and undertaking of the Old Company and the present company is now entitled to the benefits of the said Licenses as modified by the said agreements and three further agreements made between the Government and the company dated the 24th January, 1924 and three further agreements made between the Government and the Company dated the 30th June, 1924.

Copies of these documents are respectively annexed as Appendices 7, 8, 9, 10, 11, and 12.

5. One of the terms of each of the agreements set out in Appendices 4, 5 and 6 was that, after conversion to central batttery or automatic working to the extent of not less than ninety-five percent of the subscribed lines, which condition has been fulfilled, the maximum annual subscription to be charged by this company for each exchange connection within four miles of the Exchange was to be rupees three hundred and fifty.

6. The rates which the Company is charging at the present time are :—

Business Lines	...	...	Rs. 300 per annum.
Residential Lines	...	...	„ 210 „ „

7. The Company has in Bombay the following Exchange

Equipment which is in use only to the extent indicated :—

Exchange.	Capacity.	In use.	Not in use.
Central	7000 Lines.	4,633 Lines.	2,337 Lines.
Gell street	4,000 „	2,508 „	1,942 „

whereas in July, 1923, before the introduction of the automatic system, there were approximately 6,000 lines working and 4,000 applications for lines which could not be met.

8 A large amount of capital has thus been expended in order to meet a demand which although it existed at the time when the expenditure was incurred, is not now effective at the flat rate charges which are too high to attract the small user of the telephone.

9. The natural result of this is that the Company's revenue is inadequate to meet the expenses of the service including interest and depreciation and to pay a dividend to shareholders.

10. My Board have come to the conclusion that it is both advisable and necessary, in order to make the telephone available for the small user and to bring about an adequate increase in the Company's revenue, to adopt a basis of charges in proportion to the service rendered.

11. In doing so they have been very largely influenced by the conclusions reached after very full enquiry by the Bengal Government Telephone Committee and they feel that they cannot do better than act on their recommendation

12. I am accordingly directed to apply for leave to introduce the following scale of charges already sanctioned for, and put into force, in Calcutta :—

FOR EXCHANGE TELEPHONE SERVICE.

Installation fee payable at the time of signature of the contract for an Exchange Line to be fitted.	Rs. 30 0
This charge only be made in respect of a new installation.	
Fixed rental for an Exchange Line ...	10 per mensem.
Call charges	12 calls per rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a Rupee.

A discount of 5 percent from the charge for calls to be allowed for prompt payment.

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

13. My Directors have placed their views and proposals in this connection before the following local bodies :—

1. Municipal Corporation of Bombay.
2. Bombay Chamber of Commerce.
3. Indian Merchants' Chamber.
4. Bombay Millowners' Association.
5. Bombay Native Piece-goods Merchants' Association.
6. East India Cotton Association.
7. Bombay Presidency Trades' Association Limited.
8. Grain Merchants' Association.
9. Native Share and Stock Brokers' Association.

A copy of the communication sent to them is annexed as Appendix 13.

14. My Directors are of the opinion that it is desirable to bring the new scale of charges into effect at the earliest possible date and as a considerable amount of time is bound to be occupied in taking the necessary preliminary steps such as providing meters to register the calls, I am directed to ask that this application may be dealt with at the earliest possible moment.

15. The circumstances in Calcutta and Bombay are similar in the main and the former have so recently been fully considered by

Government in connection with the alterations in the scale of charges sanctioned for Calcutta that it does not appear that any useful purpose would be served by setting them out again. I am, however, instructed to draw attention to the fact that in Bombay where the automatic system has been installed, calls would be recorded automatically by meters and the element of human error would thus be eliminated moreover the meters would only register effective calls, that is to say, where the caller actually obtains communication with the number called.

I have the honour to be,

Sir.

(Sd.) R. H. PARKER,

Secretary,

Bombay Telephone Company, Limited

Dated the 21st July, 1925.

No.-T-1770 9th December 1925.

From Chamber to the Government of Bombay Revenue Department.

I am directed by my Committee to lay before you their views on the application of the Telephone Company for permission to change their present system of charging for telephone service and adopt the message rate system.

When the proposals were first brought to the notice of the Chamber by the Telephone Company, my Committee went very thoroughly into the whole question and came to the conclusion that there was no justification for the proposed changes, and have expressed their reason for coming to such conclusion in a letter dated 30th September, No. T 1381 to the Telephone Company of which I beg to attach a copy herewith,

It will be seen from this letter that the principal ground on which the Telephone Company asks to be allowed to levy much higher charges from the public (because this is what it amounts to) is their inability to pay an adequate dividend on their book capital. However, as will be clearly seen from our letter to the Telephone Company above referred the troubles of the Company, such as they are, are really due to the following causes :—

1. Over-estimation of the demand and consequent laying down of much larger plant than could be profitably utilised.

2. Very high cost of installation on account of the high prices that still prevailed 3-4 years ago.

3. Wrong capitalisation ; the largest part of the new capital required for changing over to the automatic system being found not by shares but debentures.

4. Last and perhaps the worst feature of the whole thing—heavy watering of their ordinary capital by which those who held one ordinary share in 1920 were given as much as three and one-fourth shares in the reorganised company.

My Committee are quite aware that similar mistakes have been made by many other companies during the war and post-war boom periods and their shareholders have had to go without any dividends for years and many of them have also had to readjust their capital so that it may be more in accord with present costs and present earning capacity. Whether the Telephone Company should readjust its capital or not is its own affair but my Committee think it preposterous for the Company to ask the public to pay for its mistakes of the boom period.

As has been shown in that letter of the 30th September, No. T. 1381, the rates now charged are much higher than the pre-war rates and a good deal higher than what is justified by even the higher price level. And even, at the far lower pre-war rates the Company was paying very handsome dividends and was able to build up large reserves. Their present plight is solely due to the fact that they are un-

able to dispose of the whole of the connections they have now available for service, but this position is not singular and is shared by dozens of concerns in other lines of activity.

Again, as has been shown in the same letter, the dividend they are able to pay today with one-third of the lines not in service gives a good return on the real capital put in and only looks small on the bloated figure of watered capital. The same letter also shows that as soon as the remaining lines are taken up, the Company will be able to pay a handsome dividend even on this bloated figure of ordinary capital. There has been a steady progress in the use of telephones in the last twenty years, and my Committee have no doubt, that as soon as the clouds of depression now hanging over the trade and industry of this city are lifted, the remaining lines of the Company will also be taken up. My Committee have in their letter suggested several ways in which the public could be induced to take fresh lines, and they are of opinion, that the Telephone Company could do a good deal more in this direction than they are doing at present. For instance they could call applications, for party lines and register such applications, and whenever there are two or more such applications, received from occupants within the limits of distance, the Company could either give the lines right away to both or put the two into communications. At present there is no means by which applicants can find out who else within their zone requires a party line. The Company will, my Committee believe, be able to dispose of all its lines in this and similar ways, and in the meantime it should consider itself lucky that it is able to earn a steadily increasing income even in these times of heavy depression. There is however, no justification in their demand to be allowed to exploit the pockets of the public to make partly for this depression, and partly for their own mistakes and miscalculations and my Committee would very strongly urge that their application for a change to the message rate system should not be entertained by the Government, as it will mean a very serious and additional burden on trade and industry,

Dated 21st December, 1925.

From the Bombay Telephone Company Limited to Chamber.

I have the honour to draw your attention to an error in the following extract from a letter addressed by you to the Government of Bombay, reported in the "Times of India" of the 14th December.

"Those who held one ordinary share in 1920, were given as much as three and one-fourth shares in the reorganised Company."

The facts are as follows :—

(1) The paid-up capital of the Company as shown in the Balance Sheet at 31st December 1920 was Rs. 16, 78, 750.

(2) In 1921 the capital was increased by the issue of 6,425 shares of Rs. 50 per share, at a premium of Rs. 90 per share, thus increasing the paid-up capital to Rs. 20,00,000. The premium Rs. 5,78,250, received in cash, was added to the Reserve Fund.

(3) In 1922, there was a further issue of Rs. 10,00,000 in shares of Rs. 50 each, at a premium of Rs. 50 per share, increasing the paid-up capital to Rs. 30,00,000. This premium of Rs. 10,00,000 was actually received by the Company in cash before the reconstruction.

(4) In 1923 the share-holders received 2½ shares of the nominal value of Rs. 50 each in the new Company for every one share of the nominal value of Rs. 50 held in the old Company, the paid-up share capital of the new Company thus being Rs. 75,00,000.

The amount actually received in cash by the old Company from shareholders thus amounted to Rs. 45,78,250.

No.—T. 80 13th January, 1926.

From Chamber to the Bombay Telephone Company, Ltd.

My Committee are much obliged to you for your letter of the 21st December, 1925, drawing our attention to what you consider an erroneous statement on our part in our letter to the Government of Bombay in which we said that

> "those who held one ordinary share in 1920 were given as much as three and one fourth shares in the re-organised Company".

You then describe the four stages in the capitalisation. Taken by themselves they would show that in the fourth stage the shareholders got only 2½ shares for every one share they held, and that this was done a year after the third stage and had nothing to do with the original capital of 20 lacs. However, when making the statement that you consider erroneous, my Committee had in mind the circular letter that the Company addressed to the holders of these 20 lacs on the 20th April, 1920. In this letter the following pragraph occurs :—

> "The proposed increase in the capital of the Company referred to in the accompanying notice *forms part of a scheme for the re-capitalisation of the Company* and to provide the sum necessary to carry out all these additions, alterations and improvements. The increase in capital proposed in the accompanying resolution will "furnish a sum of Rs. 20 lacs, whilst increasing the paid-up capital of the Company by ten lacs of rupees. *As soon as this stage is complete* it is proposed to re-capitalise the Company on the basis of 2½ shares of Rs. 50 each for each share of Rs. 50 in the existing Company, thus raising the total ordinary capital of the Company to Rs. 75 lacs, *on which capital* the Company will be entitled to 12½ percent before the clause providing for the division of profits above that figure comes into operation."

It will, therefore, be clear that the offer of Bonus shares as already made in April, 1922 to the holders of the then capital of Rs. 20 lacs and the offer could have been even then put in this form viz,

> 2¼ bonus shares will be given to every holder of ordinary share on his subscribing for a further one share at Rs. 50 premium.

The last sentences in the above quotation also clearly indicates the object of the inflation of capital. This object was that the limit of 12 percent (above which the profits had to be shared by the Company with its subscribers and with Government) should apply not to 30 lacs of actually subscribed capital but to 75 lacs

My Committees, however in view of your letter propose to send a further letter to Government enclosing a copy of this letter to clear up what my Committee had in mind when they made the above statement in their previous letter.

Thanking you again for drawing our attention to this matter.

No. T. 81 13th January, 1926.

From Chamber to the Government of Bombay Revenue Department.

The Bombay Telephone Company draw our attention to what they consider an erroneous statement made in my lettter dated 19th December, 1925, No. T. 1770, to you on the subject of the application to Government by the Telephone Company for message rate system. This statement was as follows:—

> "those who held one ordinary share in 1920 were given as much as three and one-fourth shares in the re-organised company."

I am instructed by my Committee to forward to you a copy of our letter to the Telephone Company dated 13-1-1926 in which we have explained why we made the above statement and my Committee

trust it will clear up any misapprehension that may have arisen in the mind of Government from the statement quoted above.

My Committee wish to make one further remark. The war-time inflation is over and a very severe depression now prevails and even the Railways have found it advisable to lower the rates of their services. If the Telphone Company is allowed to adopt the message rate system,it will be tantamount to very appreciably raising the price of their service to many of their clients just at a time when the price of everything else including Railway services is on the downward grade and when the income of various classes using the Telephone is also much poorer.

My Committee trust Government will bear these changed conditions of the prices of almost everything in the past three years in mind and will not agree to change of system that the Telephone Company desires.

APPENDIX 80.

SMUGGLING IN SACHHARINE.

(*Vide* Chamber's Report for 1924 page 559.)

No. T 814 2nd July 1925.

From Chamber to Government of India Finance Department (Central Revenues.)

The Committe of this Chamber had some correspondence with your Department last year with regard to the question of the smuggling Sachharine in British India. Since then the Land Customs Act was passed by the Indian Legislature and, my Committee believe came into force soon thereafter. Notwithstanding these legislative measures my Committee are informed a good deal of smuggling is being still carried on with regard to Sachharine trade. One pound of Sachharine equals 5 cwt. or 560 pounds of sugar. Now sugar is

selling at present at about Rs. 16 per cwt. equal to 112 pounds and Sachharine is selling at Rs. 8 per pound, though its cost in India c. i. f. is or should be Rs. 4 per pound. The duty on Sachharine being Rs. 20 per pound it should sell at least at Rs. 25 per pound to leave any profit. It is amazing that instead of the price of Sachharine being Rs. 25 per pound it is as low as Rs 8 per pound in the Bombay bazar and this alone is sufficient to show the extent to which smuggling in Sachharine must be carried on. It will be seen from the following table what was the quantity and value of Sachharine imported into this country during the following years :—

Years.	Quantity.	Value.
	lbs.	Rs.
1919–20.	41,810	4,45,700.
1920–21.	55,710	7,44,270.
1921–22.	49,939	4,17,165.
1922–23.	100,254	8,86,922.
1923–24.	33,915	1,14,915.

The drop from the imports of 1922-23 to those of 1923-24 will be marked as having been due to the enhanced duty levied from 1st March, 1923. What was thus reduced, however, in the actual import trade as shown in Government records was amply made up it seems, by the smuggled Sachharine coming in quantities after the duty was levied. My Committee are informed that the stock on hand in the bazar even after the duty was levied is in no way less than the stock on hand in the proceeding year. Looking to all these conditions, my Committee will be much obliged if Government will be pleased to inform them what steps, if any, have been taken by them to countermand this evil.

2. A suggestion has been made to my Committee that if the imported tins which are all of one pound each are stamped with the Government stamp at the time of importation by the Customs authorities, it may go a great way towards checking the evil. All this

Sachharine which comes in one pound tins comes in the form of powder which is used mainly by second class hotels and restaurants in place of sugar. It will be seen from figures given in the beginning of this letter that the strength of one pound of Sachharine being equal to 5 cwt. of sugar, it will pay these hotels and restaurant keepers to use Sachharine in place of sugar even though sachharine may be selling at Rs. 30 or 40 per pound. As a matter of fact owing to the smuggling which is going on it is selling at only Rs. 8 per pound, while 5 cwt. of sugar will cost about Rs. 80.

3. In addition to stamping all imported tins, what stocks are held by merchants might be required to be stamped by the Collector of Customs within a certain time from the date of the notification. If this is done Sachharine merchants believe that illicit traffic in the commodity will soon be put a stop to. My Committee would like to know if the suggestion made to them with regard to the stamping of imported tins meets with the approval of the Government, and if so, whether they think of putting it into practice. Such a stamping, it is said, may also tend to check the practice of adulterating Sachharine going on in some quarters.

C. No. 309-Cus/25 Simla the 9th July 1925.

From Government of India Finance Department (Central Revenues) to Chamber.

I am directed to acknowledge the receipt of the letter quoted above, and to say that the matter is receiving the attention of the Government of India.

APPENDIX 81.

IMPORTATION OF POTATOES INTO INDIA.

No. T/602 11th Novemeber 1925.

From Chamber to the Government of India Department of Education, Health and Lands.

The attention of the Committee of this Chamber is drawn to the Government of India Notification No. 58,0240 dated 22nd June 1922, in connection with the imports of potatoes from Europe. In this Notification various countries are mentioned from which potatoes can be imported after obtaining a certificate from the officers named in the said notification. No officers have been named for Holland or Germany. My Committee will feel obliged if the Government of India will be pleased to appoint such authorities in Holland and Germany from whom importers can obtain the necessary certificates under the said Notification.

My Committee may also point out that potatoes imported from any other countries not named in schedule appended to the above Notification are likely to be destroyed on arrival at a port in India by port authorities. It is necessary that provision should be made to pass such imports on arrival at the port by fumigation as is provided for other articles such as fruits and vegetables. An amendment to the Pest Act may be made if considered necessary.

No. 8 Agri. 5th January 1926.

From Government of India Department of Education Health and Lands to Chamber.

I am directed to acknowledge the receipt of your letter No. T/1602 dated the 13th November 1925 on the above-mentioned subject, and to say that the matter is under the consideration of the Government of India.

No. 798 Agri. 1st May 1926.

From the Government of India, Department of Education, Health and Lands to Chamber.

In continuation of my letter No. 8 Agri. dated 5th January 1926, I am directed to send to you herewith a copy of notification recently issued by Government on the above subject.

No. 798 Agri.

GOVERNMENT OF INDIA.

Department of Education, Health and Lands.

Simla, the 1st May 1926.

NOTIFICATION.

In exercise of the powers conferred by sub-section (1) of section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914,) the Governor General in Council is pleased to direct that the following further amendment shall be made in the rules published with the notification of the Government of India in the Department of Revenue and Agriculture, No. 580-240, dated the 26th June 1922, as amended by notification M. 1062—240 dated the 18th December 1922 and the schedule appended thereto, namely :—

1. In the proviso to rule 4 of the said Rules for the words "immunity from disease" the words "freedom from disease" shall be substituted.

2. In Column 1 of the schedule for the figures "4 (ii)", the figure and letter "4 (b)" shall be substituted.

3. In Columns 2 and 3 of that part of the schedule relating to certificates required by clause (b) of rule 4, after the entry relating to New Zealand the following entries shall be inserted, namely :—

"Holland—The Department of Agriculture,

Germany—The Department of Agriculture.
Other Coutries—The Ministry or Department of Agriculture of the country concerned."

and the following foot note shall be added, with reference to the last of these three entries, namely :—

When a Customs Officer receives a certificate required by clause (b) of rule 4 from any country not specified by name in the part of the schedule which relates to such certificate, he shall, after passing the consignment, forward the certificate to the Government of India, Education, Health and Lands Department, for information.

Sd/-J. W. Bhore,

Secretary to the Government of India.

APPENDIX 82.

REVISION OF THE LISTS OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

No. 911 28th October 1925.

From Department of Commercial Intelligence and Statistics, India to Chamber.

I have the honour to state that the question of the annual revision of the lists of articles specified in the foreign Sea-borne trade returns of British India is now under consideration in this department, and in this connection I shall be glad to receive your suggestions regarding any additional items which you consider essential for specification in the trade returns with the request that your reply may reach this office not later than the thirtieth of November.

No. T 1637 18th November 1925,

From Chamber to Department of Commercial Intelligence and Statistics.

I am directed by my Committee to acknowledge the receipt of your letter No. 9111 dated 28th October 1925 and to state that the following items under Iron and Steel should be split up and each article should be separately shown in the Sea-Borne Trade Returns of British India;

1. Iron; Angles Bolts and Rods.
2. " Beams and Girder (together) Pillars and Bridge Work.
3. " Nails, Screws, Rivets and Washers.
4. Steel Beams and Girdars (together) Pillars and Bridge Work.

APPENDIX 83.

STAMPING OF COTTON PIECE-GOODS.

R. S. R. No. 2512, 6th November, 1925.

From Collector of Customs, Bombay to Chamber.

I have the honour to state that the Government of India have under consideration the question of the marking of lengths on piece-goods in general. The rules at present provide that only the descriptions of cotton piece-goods specified in the list appearing at page 9 of the Merchandise Marks Manual, 1921 edition, are required to be stamped with the length. A number of descriptions of cotton piece-goods which are assessed at 11% under the tariff and which are sold by length or by the piece do not actually appear by name in the list although they actually fall under one or other of the specified descriptions of cloth. This at times confuses importers. It has therefore been suggested that it would be more convenient for all concerned to cancel the list of piece-goods which require stamping, and to have instead a

short list of piece-goods which do not require stamping. The piece-goods which at present do not require stamping appear to be—

Alhambras	Dusters) when joined by the warp
Blankets	Glass) cloths
Counterpanes	Handkerchiefs in woven pieces
Quilts	(Vide Rule 59 Merchandise Marks Manual)
Prayer mats	Finished shawls.

I would be glad to have your Chamber's opinion on the above proposals and to be informed whether in the Chamber's opinion any addition should be made to the list of piece-goods which do not require stamping.

No. T 1630, 16th November, 1925.

From Chamber to Collector of Customs Bombay.

I am directed to acknowledge receipt of your letter No. 2512 of the 6th instant.

My Committee are of opinion that blankets should be taken out of the list which at present do not require stamping but that napkins should be included in this list.

They have no other suggestions to offer.

APPENDIX 84.

STAMPING OF FINISHDE SHAWLS.

R. S. R. No. 2512, 29th May 1925.

From Collector of Customs Bombay to Chamber.

I have the honour to state that the question of the stamping of finished shawls with length marks is at present engaging the attention of the Government of India. Under the existing orders shawls other than single finished shawls of small dimensions are required to be

stamped. Whether an article should be stamped or not depends usually on whether it is one which is ordinarily sold by the length or by the unit and Government desire to apply this principle to shawls. Shawls, as distinct from shawl cloth which is a material imported in lengths and subsequently made up into shawls, are imported as single finished articles and are sold by the unit. It has been ascertained on enquiry that the trade here generally desire that all shawls irrespective of their sizes should be exempt from stamping. The question therefore is whether your Chamber agrees with the opinion expressed by the trade or desires a limit to be fixed above which shawls, whether cotton or woollen, should be stamped. Government would like to be guided in this respect by the practice of the trade. I would therefore be glad to have your Chamber's opinion.

No. T 767, 18th June, 1925.

From Chamber to the Collector of Customs Bombay.

With reference to your letter R. S. R. No. 5512 dated 29th May last with regard to the stamping of finished shawls, I am directed by my Committee to inform you that they agree with the opinion expressed by the trade that all shawls irrespective of their sizes should be exempt from stamping.

R. S. R. No. 2512, 7th October 1925.

From Collector of Customs, Bombay to Chamber.

With reference to the correspondence ending with the letter cited above, I have the honour to inform you that the Government of India have been pleased to decide that all finished shawls (whether woollen or cotton), which have their ends hemmed or fringed, and are imported singly or in pieces containing two or more shawls, should be treated as apparel and exempted from the requirement of stamping. Pending an amendment of the Merchandise Marks Manual, immediate effect will be given to this decision.

APPENDIX 85.

INCREASE IN RATES OF PREMIUM ON SHIPMENT OF COTTON AND TWIST BY BOMBAY UNDERWRITERS' ASSOCIATION.

No. T/1758 8th December 1925.

From Chamber to the Bombay Underwriters' Association.

The attention of the Committee of this Chamber is drawn to the increase recently decided upon by your Association in the rates of premium laid down for the shipment of cotton and twist for Japan and China by 50% from the 10th instant. My Committee apprehend that many merchants who have made forward sales will be hard hit. They have sold up to the end of the January shipment and later but my Committee suggest that the new rates should not be enforced before the beginning of February at the earliest so that as little hardship as possible may be inflicted on the business community.

In conclusion my Committee will be much obliged if they will be kindly informed of the reasons which are responsible for this increase in rates.

No. 192-A, 10th December 1925.

From the Bombay Underwriters' Association to Chamber.

In reply to your letter No. T/1758 of 8th instant, we are directed to say that these rates have been arranged in London, and this Association, we regret, is not in a position to accede to your request.

No. T/1810 16th December 1925.

From Chamber to the Bombay Underwriters' Association.

I am directed to acknowledge receipt of your letter of the 10th instant, No. 192-A, and to request you to be good enough

to send a copy of our last letter and this letter to your London Office with an urgent request for reconsideration. These increased rates have affected adversely a good many of our merchants and my Committee trust that your London Office looking to these complaints of the Indian commercial community will be pleased to act upto the suggestion made by them that the new rates should not be enforced before the beginning of February at the earliest.

No. 192-A, 23rd December 1925.

From the Bombay Underwriters' Association to Chamber.

We beg to acknowledge receipt of your letter of the 16th instant, and as requested, we have referred the matter to the Institute of London Underwriters.

Upon receipt of their advices, we shall revert.

No. 192-A, 12th February 1926.

From the Bombay Underwriters' Association to Chamber.

Referring to our letter of the 23rd December last, we beg to send herewith, for your information, copy of a letter received from the Institute of London Underwriters.

London 19th January 1926.

From Institute of London Underwriters to the Secretary, the Bombay Underwriters' Association

Dear Sirs,

I have to acknowledge receipt of your letter of the 23rd December and to thank you for copies of letters dated the 8th and 16th December addressed to you by the Secretary of the Indian Merchants' Chamber, Bombay.

I am afraid however that as the above Agreement has now been in force for some weeks it is too late to consider the request of the Indian Merchants.

Yours faithfully,
Sd/ E. P. HUDSON.
Vice-Chairman and Secretary.

APPENDIX 86.

TRANSMISSION OF GOLD PARCELS BY POST.

No. 985/81 dated 4th February 1925.

From the Hindustani Native Merchants' Association to Chamber.

I am directed by Managing Committee to forward to you hearwith a copy of the letter addressed to the Presidency Post Master of Bombay requesting him to amend the Post Office Rule 96 (9) contained in the Post and Telegraph Guide. It is hoped your Association will take up the said question and support my Association by making a representation to the Presidency Post Master of Bombay in the matter.

(*Copy.*)

From the Hindustani Native Merchants' Association to the Presidency Post Master Bombay.

I am directed by the Committee of my Association to bring the following fact to your notice and hope the same will meet your early generous consideration and favourable orders.

Most of the members of this Association, which has a total membership of 400, are dealers in gold and have been executing orders of supply of gold for their up-country adhatias from Bombay as Commission Agents and Merchants. According to the present Postal Rules no gold bullion worth more than Rs. 300 will be accepted in a single parcel for transmission and insurance (Vide Rule 96(9) Post & Telegraph Guide) and one bar is worth not less than Rs. 600 and some worth Rs. 650. My members' up-country adhatias generally want to purchase an entire bar and would not accept pieces.

Formerly the merchants used to get one or two or more bars getting the parcels insured for Rs. 300 with the Post Office and for the balance with private Insurance Companies. And this has been in vogue for a long time and no objection was raised to it by the Postal Authorities. The result of this practice being that in case of loss in transit the Post Office would be responsible only to the extent of Rs. 300 for which the parcel was insured with the Post Office and the merchant should have to look to the private Insurance Companies for the balance of his loss. But another inevitable result of this arrangement is that the Post Office lost the benefit which would arise to it in case the entire parcel has been insured with the Post Office.

My members submit that there is a great ambiguity in this case. For they do not know on what grounds the Post Office refuses to accept bullion gold parcels of a value higher than Rs. 300 but will accept Government Currency Notes, gold ornaments, jewelleries and precious stones for transmission and insurance up to Rs. 2,000 and they point out that the Rule 96 (9) of the Post and Telegraph Guide is hard, anomalous and not based on any principle whatsoever and the merchants fail to understand the difference between gold bullion and gold jewelleries.

The Committee of this Association in its humble opinion urges that the Post Office Rule 96 (9) contained in the Post and Telegraph Guide should be amended and the Post Office may accept gold bullion worth at least Rs. 2,000 for despatch, as it does Government Currency Notes, gold ornaments, jewelleries and precious stones, and that unless the said Rules is amended the members of this Association should be put to much loss and hindrance in their business.

28th April 1925.

From the Bombay Bullion Exchange Ltd., to Chamber.

I am in due receipt of your letter of the 23rd instant, and I am instructed by the Directors of the Company to write that the idea of

creating a central institute like the Congress you speak about, is really praiseworthy and that they will be willing to send representatives whenever it is held.

I am also sending herewith the whole correspondence with regard to the postal limit of Rs. 300 for a bullion parcel, and trust that your Committee will give their serious consideration to the matter and do the needful to remove the inconvenience.

(*Copy.*)

28th February 1923.

From the Bullion Exchange Ltd., to the Post Master General Bombay.

Sir,

I am asked by the Bullion Merchants to bring to your notice the following grievance, which they hope you will be good enough to remove as soon as possible.

Under Article 96 (General Prohibitions) clause (9) it is stated that Gold, Coin, Bullion or both of a value exceeding Rs. 300 is prohibited for transaction by inland post, while Article 198 (Foreign Post) does not lay down any such limit.

This means that a parcel containing bullion of any value posted from a country outside India can be delivered to any city in India, while one posted from any city in India comes under the value limit.

Secondly when there is no value limit to a parcel containing gold or silver ornaments, or jewellery, it is unconceivable why bullion as such should have such a limit.

You will find that this is rather absurd position, more so when there is no restriction on the bullion movement in India.

Hoping that you will take early steps to remove the grievance.

No. G. T. 35 31st May 1923.

From the Post Master-General Bombay to the Bombay Bullion Exchange Ltd.

With reference to your letter dated the 28th February 1923, I have the honour to state as follows :—

(a) The prohibition from transmission by post under clause 96 (9) of the Post and Telegraphic Guide applies to places specified in clause 48 of the same publication.

Clause 198 of the Post and Telegraph Guide is also prohibitive and not permissive as presumed by you; but the prohibition is restricted to articles posted in British India for transmission by the Foreign Letter Post only to the countries named in the list given in clause 157. Restrictions have likewise been placed on articles containing coin or bullion and posted in British India for transmission by the "Foreign Parcel Post" but they are relaxed when the value of the contents does not exceed £ 5, vide clause 232 (2) of the Post and Telegraph Guide.

(b) The presupmtion that a parcel containing bullion of any value can be imported by post into British India is unwarranted. Clause 98 (3) of the Post and Telegraph Guide prohibits the importation by post into British India of coin or bullion exceeding £ 5 in value.

(c) The rules in the Post and Telegraph Guide referred to above are based on notifications issued by the Government of India under the Indian Post Office Act and by the Director-General of Posts and Telegraphs under the powers vested in him; and the circumstances in which differential treatment has been accorded to bullion and the articles made thereof are not known to this office.

Dated 3rd April 1923.

From the Bullion Exchange to the Director-General of Posts and Telegraphs.

The bullion merchants are put to great hardships by restriction mentioned in clause 96 (9) of the Post and Telegraph Guide, to the effect that gold coin or bullion or both of a value exceeding Rs. 300 cannot be sent by one parcel. Now at the present rate, roughly speaking, only 12 Tolas of gold or 20 sovereigns can be sent in a single parcel. It is well know that Bombay is the chief centre of bullion trade of India and large amounts of bullion is sent from Bombay to different parts of India either by post or by railway every day; the merchants have to send a number of gold parcels daily and we are quite sure that you are not ignorant of the fact that some parcels are returned because they are found to contain gold or sovereigns of a value exceeding the Postal Limit. This fact, we are sorry to admit is a result of systematic unfair practices and lying. We do not think any one will like to promote this state of things, both in the interest of the general public and the Postal Staff.

We understand that this restriction was placed as a war-measure, when the movement of gold and sovereigns was also restricted by railways, and even export and import of gold and sovereigns from and in India was not free and unfettered. But now as you well know all such restrictions have been removed, there is no reason so far as we can see, to allow the prohibitive clause to remain in the Guide.

Further, articles made of bullion and of any value can be sent in a single parcel under the Postal rules. This fact, you will agree, Sir, is rather absurd; and under the present changed circumstances, we do not see any reason why a differential treatment should be given to articles made of bullion over bullion itself.

We hope and trust that we have sufficiently explained the hardship involved in the value limit and the direct results produced therefrom and so earnestly hope that you will be good enough to set the matter right by removing clause 96 (9) from the Guide and thus remove a long standing trouble in the way of the bullion merchants.

No. C. G. 156, 25th April 1923

From the Director-General of Posts and Telegraphs to the Bombay Bullion Exchange Ltd.

With reference to your letter dated the 3rd April 1923, I am directed to say that the Director-General regrets that he is unable to accede to your request. I am to add that the probibition against transmission through the post of gold coins of bullion of a value exceeding Rs. 300 has been in existence from before the War.

Dated the 1st May 1923.

From the Bullion Exchange Ltd., to the Director of Posts and Telegraphs.

I am in due receipt of your letter No. C. G.-156 of the 25th ultimo and am very sorry to find that you have not been good enough to show us the right course to follow in order to have the prohibition against transmission of bullion of a value exceeding Rs. 300, removed from the Postal Rules.

You have not also been kind enough to answer and explain my specific question as to why bullion ornaments are given any differential treatment over bullion as such in having to value limit for their transmission in a single parcel. Is not this rather an absurd situation?

No. C. G. 156, 22nd May 1923.

From Director-General of Posts and Telegraphs to the Bombay Bullion Exchange Ltd.

With reference to the correspondence ending with your letter of of the 1st May 1923, I am directed to say that the present restrictions were imposed by the Government of India and the Director-General regrets that he is unable to help you in the matter of removing these restrictions.

14th August 1923.

From the Bullion Exchange Ltd., to the Government of India, Industries Department.

The bullion merchants are put to great hardship by the operation of Article 96 (General prohibitions) clause 9 of the Post and Telegraph Guide. The said clause lays down that "gold coin or bullion or both of a value exceeding Rs. 300," cannot be sent in one parcel.

Now it is a well-known fact that Bombay is the one city that imports almost the whole amount of coins and bullion for the general requirements of India, which necessarily implies the fact that the coins and bullion imported must be sent out to various and distant places of India where they may be required; i. e., in the natural course of events a large portion of the imported bullion has to be forwarded to different places by post.

If you were to examine the Import Manifests, you will find that on the average roughly speaking, coins and bullion worth two crores of rupees are brought to Bombay by every Mail Steamer from England, America, China, Australia, and various other countries. Nearly the whole of this big lot of bullion has got to be sent out, and at least half of it is forwarded by post. From this fact, sir, you will be able to judge of the various difficulties and troubles the merchants and agents have to undergo to dispatch this bullion, which very naturally tempt them to circumvent the value limit set by the postal rules, or to resort to questionable means to pass of parcels of bullion of a higher value.

Further, this value limit appears to be absolutely absurd and meaningless when considered with the other provision in the Guide which lays down that a parcel containing gold or silver ornaments or jewellery of any value can be sent in a single parcel. However much we try to understand, we fail to see the reasons that might have tempted the Government to give such a differential treatment to articles made of bullion as such.

We wrote to the Post-Master General, and the Director-General of Posts and Telegraphs to remove this restriction, but we were

informed that the said restriction was imposed by the Government, and so they were unable to do anything in the matter.... It is under these circumstances that we approach you to get this long standing trouble removed as soon as possible.

If you were to ask the Post-Master General to make a report on the matter, you will come to know as to how many parcels containing bullion or coin are returned by the Post Office of destination to their respective senders, because they are discovered to contain bullion worth more than Rs. 300. These facts clearly show that there must be something worth with the staff of the receiving Post-Office.

The restrictions greatly hamper the course of business in bullion and have a tendency to promote lying and bribery on the part of the agents and the Postal staff.

Trusting that the objectionable clause 9 will be removed from the Guide at the earlist possible opportunity, we beg to remain, etc.

No. 98/P. T. 21st September 1923.

From Government of India Department of Industries and Labour (Posts and Telegraphs) to the Bombay Bullion Exchange Ltd.

I am directed to reply to your letter dated the 14th August 1923, regarding the restriction on the transmission of gold coin or bullion through the post.

2. The remittance by post of large quantities of gold imposes great responsibility on the Post Office and places undue temptation in the way of postal official; and, when loss or theft occurs in transit through the post, enquiring officers are faced with difficulty in indentifying recovered coin or bullion as compared with ornaments or jewellery. The Government of India further consider that it is outside the legitimate scope of the Post Office to undertake the conveyance of gold coin or bullion, except in very small quantities, and thus to come into competition with banks whose primary function, in their

opinion, it should be to effect remittances of such articles without using Post Office facilities. The Government of India, therefore, after due consideration regret that they are unable to accede to your request that existing prohibition against transmission by post of gold coin or bullion or both of a value exceeding Rs. 300 should be removed or relaxed.

6th October 1923.

From Bullion Exchange Ltd., to the Government of India Department of Industries and Labour.

I am directed to send the following further explanation for the consideration of the Government of India regarding your reply of the 21st ultimo starting that the Government for the reasons declared therein, are unable to accede to the request of removing or relaxing the existing prohibition against transmission of gold coin or bullion or both by post.

It is stated in the second para of your letter that the remittance by post of large quantities of gold imposes great responsibility on the post office and places undue temptation in the way of the postal officials. This contention is hardly tenable in view of the fact that the parcels containing the bullion are insured to the full value of the contents with Insurance Companies, and so in case of loss the Post Office is not at all responsible.

As regards placing undue temptation in the way of the postal officer, the ornament jewellery and diamond packets offer equal and even greater temptations. In this respect, we are very proud to declare that the postal staff have very rarely been found guilty of misappropriation, and from the long experience, it will not be improper to hope that it will preserve its current record of honesty and integrity.

As regards the question of identification by enquring officers when lost coin or bullion is discovered, the diamonds are much more difficult to identify than bullion which always bears the impressed

marks of a bank or a merchant, and mostly a distinctive number and fineness, so that there is hardly any difficulty worth the name to identify such bars.

Regarding the questions whether the conveyance of gold coin or bullion is within the legitimate scope of the Post Office, we have to submit that if it is not, we respectfully urge upon the necessity of doing so; because in doing so the Government will be greatly helping the bullion merchants in their trade and putting a stop to all lying and other doubtful practices resorted to by the staff of the merchants and the Post Office. By conveying parcels of coin or bullion the Post Office will in no way enter into competition with banks, as the banks, never undertake to convey coin or bullion except in very large quantities because of economical considerations; and they never give any facility to ordinary merchants and commission agents whose business it is to forward small bullion parcels almost daily and who form the majority of the Bombay business community.

Under the above among other important reasons, we beg to request your honour to urge upon the Government the urgent necessity of removing or at least relaxing the existing prohibition, and thus oblige the bullion merchants, for which act of kindness they will always remain grateful.

No. 98-P. T. 15th November 1923.

From the Government of India Department of Industries and Labour to the Bombay Bullion Exchange Ltd.

In reply to your letter dated the 6th October 1923 I am directed to inform you that the Government of India regret that they are unable to modify the decision communicated to you in my letter No. 98/P. T. dated the 21st September, 1923.

Dated Simla, the 8th August 1925.

Government of India Department of Industries and Labour Posts and Telegraphs Branch.

NOTIFICATION.

No. 90-P. T. in exercise of the powers conferred by the Indian Post Office Act, 1898 (VI of 1898), the Governor-General in Council

is pleased to direct that, with effect from the 1st September 1925, the following further amendments shall be made in the rules issued with the Notification of the Government of India in the Department of Commerce and Industry, No. 2183-45, dated the 26th April 1913, namely :-

1. In sub-rule (1) of rule 27 of the said rules, for the figures " 300 " the figures " 700 " shall be substituted.

2. To rule 47 of the said rules, the following further proviso shall be added, namely :—

" Provided also that articles containing gold coin or bullion or both shall be insured for the actual value of the contents ".

3. After clause (f) in the second proviso to rule 56 of the said rules, the following clause shall be inserted, namely :—

" (g) where the insured article contains gold coin or bullion or both and has not been insured for the actual value of the contents. "

Dated 10th September 1925.

From Bombay Shroff Association to Chamber.

A deputation of my Association waited upon the Post Master General on 17-8-25 and inter alia this matter was fully discussed with him. He admitted the need of raising the limit of Rs. 700 to Rs. 2000, but said that the matter should be placed before His Excellency the Governor-General in Council by way of representation from the interested bodies of merchants. He also promised to endorse the same favourably if the same was forwarded through him. My Committee has resolved to send in a representation jointly with other associations of Bombay. I think it would be but proper for your Chamber to take the lead in the matter and prepare a representation to His Excellency the Governor-General in Council ; which may be signed by the different associations jointly or severally as may suit your Committee. If needed Mr. Jasani will meet you to supply you with the facts required.

An early reply will oblige.

No. T.-1246 12th September 1925.

From Chamber to the Bombay Shroff Association.

I am directed to acknowledge the receipt of your letter of the 10th instant. Your Committee must be aware that it was at the instance of the Bombay Bullion Exchange, Ltd., and the Hindustani Native Merchants' Association, that the Committee of this Chamber took up this question and requested their representative on the Assembly, Sir Purshotamdas Thakurdas, to do the needful in the matter. My Committee heard from him recently that the Government had issued *a notification making the necessary changes in the Postal Rules in response to the demamd of my Committee by which the limit is raised from Rs. 300 to Rs. 700. Your Association apparently now want that limit to be further raised to Rs. 2,000. I am to ask you to send to my Committee a copy of the representation that your Association are going to send up to Government, on receipt of which my Committee will give it their best consideration.

No. T.-1247 12th September 1925.

From Chamber to Bombay Bullion Exchange Ltd.

In connection with the correspondence ending with my letter of 1st May 1925, I have to draw your attention to the recent Notification issued by the Government of India, Department of Industries and Labour (Post and Telegraphs Branch), dated 8th August 1925 substituting the figures 700 for the figures 300 in sub-rule (1) of Rule 27 of the Postal Rules.

My Committee trust that this meets with your requirements.

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*Printed above.

(H) INTERVIEWS WITH GOVERNMENT OFFICIALS.

APPENDIX 87.

INTERVIEW WITH THE HONOURABLE SIR BASIL BLACKETT, FINANCE MEMBER, GOVERNMENT OF INDIA.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchants' Chamber at the interview of the Committee of the Chamber with the Honourable Sir Basil Blackett on Friday, the 3rd July 1925.

Sir Basil Blackett,

I have much pleasure on behalf of my Committee to welcome you to this Chamber on this your third visit. We hope you have benefited by your trip to England and will be able to attend to your work to which you have been so devoted, with added zest.

2. My Committee in the first place desire to draw your attention to the uncertain position in which the Indian exchange is allowed to continue and which cannot mean any good to any section of trade or of industries. Even those people who cannot see eye to eye with my Committee with regard to the currency and exchange policy of the Government are agreed that an early settlement of this question is vitally necessary in the interests of trade and industries. It is misunderstanding that my Committee have ever made a fetish of exchange. What my Committee have rather contended is that the mistake of 1920 should be rectified and that the Rupee should be restored to its pre-war relation to gold so that trade and industry may have a chance to develop and be freed from all anxieties arising from disturbances in exchange. The present chaotic situation may or may not have been brought about by any conscious manipulations on the part of the Government but no responsible Government would

like its motive being regarded with suspicion by the people, without taking steps to remove the causes of such suspicion.

3. The recent renewed upward tendency in exchange is being viewed by my Committee with apprehension in view of its deleterious effects on Indian industry and the further losses that it would inflict on producers.

4. The tendency shown in this slack season for exchange to rise above 1s. 6d. makes my Committee fear that an attempt will be made in the next busy season to put it upto 1s. 7d. or 1s. 8d. While we hope that our apprehensions will be found to be unjustified it may be pointed out that they are not wholly misplaced or groundless, because in referring to the possibility of the Rupee rising to 1s 7d. or 1s. 8d. in the Assembly this year you, Sir, observed that it was not in India's interests that there should be so large and rapid a rise in in so short a time. We trust that it does not indicate any intention on the part of Government to allow exchange to go to higher and higher levels gradually and the commercial community will welcome a declaration to that effect from Government, because it is entirely in their hands to prevent a further rise through purchases of sterling for Home Charges or for account of the Currency Department and such action can safely be taken without prejudice to the policy that may have to be ultimately adopted.

5. This brings us to a consideration of the constitution of the proposed Committee on our Currency and Exchange policy. My Committee feel anxious and believe they have the whole of the Indian Commercial Community with them in this anxiety, that the proposed Currency Committee should have an Indian Chairman and a majority of Indians as members. They consider it to be their duty to warn the Government that unless the Committee has such a personnel it will be merely a waste of public time and money and the whole controversy will be left unsettled. My Committee are obliged to say with regret that their experience of the last two Currency Commissions has been a very sad one. The Chamberlain Commission set aside the recommendations of the Fowler Commission with reference to

gold currency, and it was this refusal to give India gold currency in circulation, to which might be largely attributed our present troubles, as it is the continued existence of the token as full legal tender money that is responsible for the mistakes of currency policy in the past few years. Then again the disastrous suggestions of the majority report of the Babington-Smith Currency Committee are still too fresh to need recapitulation. My Committee do not naturally want these experiences to be repeated and hence ask for the personnel of the new Committee to be such as will inspire confidence in the Indian public that the question at issue will be considered and decided from the view-point of the interests of India and India alone.

If the new Committee is to do any good, its terms of reference should embrace a consideration of the best method and manner in which the gold standard could be effectively established in India with a gold currency actually in circulation. What is of great importance is that Government should not, as they did at the time of the appointment of the Babington-Smith Currency Committee, prejudge the issue by confining the terms of reference to the gold exchange standard. My Committee are at the same time of opinion that the questions of the ratio is not merely a matter of policy, but that this ratio defines the standard unit of India under a Gold Standard. Even the Chamberlain Commission were emphatic that India was then firmly established on a Gold Standard, and it is abundantly clear from their report that the gold unit of the country was the Sovereign, and that the Rupee was the Indian token money the Indian shilling. In spite of all the upheavals caused by the War, Great Britain and all the Self-Governing Dominions have gone back to their pre-war par with gold, and my Committee would most strongly protest against any attempt to establish a new par, as it upsets all contractual relations between debtor and creditor entered into since we went over to a gold standard in India and adversely affects all our agricultural population which is seriously in debt. It also seriously handicaps all Indian industries that have been perforce capitalised on this basis during the past 30 years, and my Committee see no justification in a solvent country, as India certainly is, for upsetting all such relations and imposing serious injustice and loss

on Indian industry and Indian agriculture, and are therefore of opinion that the question of the ratio cannot and ought not to form a part of the terms of the reference to the new Committee whose real work will be to show the way to a return to the Gold Standard in India as the Cunliff and other Committees have done for England in the last 5 or 7 years.

7. We do not know whether the conditions on which the business of the Currency Department can be handed over to the Imperial Bank are to form a part of the terms of reference of the proposed Currency Committee. But my Committee are strongly of opinion that the time has come when at least the handling of the whole of the remittences of the Government of India and the purchases of sterling or the sale of Council Bills in order to lay down money in London for the Secretary of State should be entirely handed over to this Bank and my Committee think that it should also now be entrusted with the work of the management of the balances of the Secretary of State instead of this work being done by the Finance Committee of the India Office.

8. My Committee would further urge that this Committee be now appointed without any undue delay. In reply to representations urging the adoption of the gold standard by this country, Government were always pleased to put forward the plea that India should wait till England herself adopted the gold standard. Great Britain has now reverted to the gold standard and every self-governing Dominion has immediately followed suit. You cannot be unaware, Sir, that several continental countries have also similarly put their currency again on a gold basis, which signifies at least that the restoration of normal conditions in Europe on which so much emphasis was laid by different Government spokesmen to justify delay in taking action in this country, can no longer be advanced as an excuse, for further delaying action in this country because 80 to 90 per cent of the world trade is now based on gold. My Committee therefore trust that the Currency Committee will be appointed without any loss of time so as to make it possible for their report to be placed before the Legislature at their winter session,

9. Pending the report of this Committee and such action as may be recommended by them, my Committee would strongly urge upon Government the adoption of some method for additions to the currency that is automatic. My Committee beg to submit herewith statements showing balances in Treasuries in the country during different years. It will be seen from these figures that the seasonal stringency experienced in pre-war days was due mainly, if not solely, to the fact that under the system obtaining in those days enormous amounts of money were raked in by Government in the shape of revenue collection and were locked up in Government Treasuries and the market was cut off from the use of all those funds and thereby it was made difficult to finance all the produce that was rushed to the markets in these days and was waiting sale, although the Exchange Banks were able to secure all the currency needed for purchase of export bills by exchange against gold or sterling at fixed rates, but this cause of stringency was removed with the formation of the Imperial Bank of India and the handing over to it of the Treasury business of Government, so that today the bulk of Government funds are with the Imperial Bank and Rs. 20 to 25 crores of Government money which would have in old days been locked up in Government Treasuries if Government were still following the pre-war system, are now with the Imperial Bank. It will therefore be seen that the cause which brought about the seasonal stringency in pre-war days was removed and what is more, Government have provided further finance in the shape of emergency currency which did not exist in pre-war days and have thereby placed further large funds at the disposal of the market and, if, inspite of it all there is the very serious stringency we have been experiencing in the past two seasons the causes must be different and my Committee are inclined to endorse the opinion of the Bengal Chamber of Commerce that the stringency is not due to seasonal causes as has been frequently argued, but that is due to want of any machinery for automatic additions to the circulation which are so necessary in every progressive country. My Committee would suggest that the best method of doing this and doing it without binding Government in any way in regard to currency policy is to issue currency here against deposits of Sterling at purchase value as is actually provided in the Paper Currency Act. This point was once made in

the last session of the Assembly on 2nd February and you, Sir, then said that one did not know the exact cost of the particular sterling which one remitted to London and that one had to take either the average price or some arbitrary figure. We are sorry to say this argument has not at all been convincing because if the Government had the will to do the right thing there was a way. This way was to instruct the Imperial Bank to purchase certain amounts directly for the account of the Currency Department. If this was done, the purchase price would be clear and the Currency Department could at once issue currency against it to the extent of the full purchase price. If this had been done in the past season the market would have automatically secured all the currency it was entitled to. We do not agree that it would have been very difficult to ascertain the cost of the sterling deposited by the Secretary of State if the last previous purchase on the date of each deposit with the Currency Department was taken as the one that went to the Currency Department. In the debate in the Assembly, you, Sir, expressed the opinion that it made no difference in the end because it was a mere matter of book-entries but my Committee are unable to agree with this view because if the securities had been valued at purchase price as the law provides there would have been several crores of permanent additions to the circulation and the money market situation would have been entirely different. You, Sir, have then claimed that the Act simply said "shall not exceed" but Section 19 (4) clearly says "the value of them at the price at which they were purchased shall not exceed 85 crores" and these words clearly provide against the fiduciary issue exceeding 85 crores but the valuation of the securities is to be at the price they were purchased". The intention of the Act is clear once more from the earlier part of the same section 19 (3) where it is laid down that "the whole amount of currency notes at any time in circulation shall not exceed the total amount represented by sovereigns, half-soveriegns rupees silver and half rupees and gold bullion and the sum expended in the purchase of silver bullion and securities." The object here clearly is to prevent a security like say 3½% being bought today at 70 and calculated at part for Reserve purposes, but does in the opinion of my Committee not give any warrant for

undervaluing such securities by over 30 percent as is now done. My Committee would therefore strongly urge upon Government the issue of currency to the full extent of the purchase value of the sterling securities already there or if this be not practicable for the securities already there, then, my Committee would urge that the practice of buying sterling directly on account of the Currency Department be at least inaugurated hereafter in order to prevent further tightening of the money market next season.

10. The abnormal tightness of the money market has been acknowledged on all hands and even by the Government though in an indirect manner by not raising their usual loan this year. This not raising of any new loan this year, however, gives rise to some other issues also. The Government communique which announced the decision of the Government not to raise a loan mentioned that the Ways and Means position in India and London has so much improved that it was possible to meet the estimated excess of disbursements over receipts during the year by drawing on cash balances. My Committee beg to point out the serious discrepancy between this statement and the statements made elsewhere. You, Sir, speaking on the resolution moved in the Legislative Assembly with regard to the debt position in India remarked:

> "In the five years, 1925-26 to 1929-30 inclusive, we want something approaching 25 crores a year for Railways and a further 20 crores a year for Provincial Governments and other requirements. It is perhaps not unlikely that progress will be a little less rapid than these figures assume. They amount to 45 crores a year, but let us take the figure at 40 crores a years. Add to that the sum of 940 crores we have to reborrow on the average year by year for the next five years to deal with our maturing debt. You get a total of nearly 300 crores of money that has to be financed in the next five years, whether by Provincial Governments or by ourselves, of which part would come from the Sinking Fund and the Cash Certificates."

But it was stated that the Government of India would have to be in the market for 20 crores a year more or less every year at least for the next five years. My Committee are therefore forced to two alternative conclusions. One is that the method of Budget preparation of the Government of India is so faulty that only within a couple of months of the Revised Budget being placed before the Assembly they find themselves with far more money than they had expected. At best this does not reflect credit on the Finance Department for accurate Budgeting. The alternative conclusion is that Government were not prepared to remit taxation though they quite expected the final results of 1923–24 to be much more favourable. As I have remarked above neither of these alternative conclusions can be at all creditable to the Government, nor are my Committee inclined to accept either of them and would be glad if you can throw light on this question. At the same time, if the Revenue figure for the year ending 31st March last is larger than was anticipated at Budget time as seems to be the case, my Committee would once more, in view of the present condition of the mill industry and the essentially unjust nature of the Excise Duty, suggested to the Government that they should now take steps for the abolition of the Excise Duty at the forthcoming September session as the flourishing state of the Revenues justifies such relief. This will afford a much needed relief to the mill industry and at the same time remove a tax which has not a single supporter either among official or non-official classes.

11. My Committee would also draw attention to the Japanese competition with the mill industry which has been much facilitated through the present very depreciated position of Japanese Currency and think that measures to protect the local industry against this exchange depreciation be taken in hand at once. As is well-known Dominions take particular care to safeguard their home industries against such abnormal factors and Australia has imposed a duty on Indian pig iron even when our exchange was at 1s. 6d. because it considered it depreciated. My Committee urge that Government here should be equally alive to its duty to safeguard the local industry and not remain indifferent on the ground that

it is merely a transitional stage because it is just during this transitional period that Japan is enabled to get a strong foothold in Indian markets from which it will be so difficult to dislodge it afterwards.

12. In conclusion I again thank you on behalf of the Committee of this Chamber for your interview of this morning and hope that as a result of this interview there will be a salutory change in the Currency and Exchange policy of the Government of India.

Table showing Government Balances with Treasuries and Imperial Bank of India on 1st day of each month named.—(In Crores of Rupees.)

Season.	1913-14		1914-15.		1922-23.		1923-24		1924 24.		
	Treas.	Imp. Bank.	Treas.	Imp. Bank.	Treas.	Imp. Bank.	Treas.	Imp. Bank.	Treas.	Imp. Bank.	
December	18·99	2·59	11·31	2·24	3·54	13·24	3 10	8·45	2·71	7·45	December
January	15·57	2·60	11·82	2·88	3·45	14·16	3·12	8·52	2·92	17·93	January
February	18·40	2·44	16·23	2·74	3·82	18·20	3·21	16·99	2·89	24·03	February
March	19 15	2·54	17·54	2·35	3·90	17·62	3·13	22·63	4·29	27·44	March
April	21·03	2·33	19·54	2·62	5·44	20·51	3 15	19·82	3·02	27·07	April
May	19·18	2·23	17·23	2 35	3·93	14·83	2·90	20·56	...	...	May

It will be noticed that in the pre-war period anything from 15 or 20 Crores of Rupees got locked up in the Treasuries and the market was depleted of this amount of finance at the very height of the season. Today it is just the reverse and 15 to 27 Crores of Government money remain with the Imperial Bank.

Finance Member's Speech.

Sir Basil Blackett replying said :—

Mr. Sethna and gentlemen : I thank you sincerely for the kind welcome which you have given me. It is always a great pleasure to me personally to come to Bombay to see your progressive City and exchange views with its active merchants and businessmen. I have moreover pleasant recollections of my previous visits to your Chamber. If we have had the misfortune to differ in our views as to what the true interests of India as whole require at the hands of the Government of India, and if, as I fear is the case, we still differ today on the question whether a change in the present currency and exchange policy of the Government in the direction desired by your Chamber would be a salutary one, nevertheless I am glad to feel that I have many personal friends in Bombay and I hope that, even if an interchange of views does not make us see eye to eye on all points, it will, at any rate, improve our understanding of each other's point of view and strengthen the bonds of our friendship.

Exchange and Currency.

I entirely agree, Sir, with your view that an early settlement of the future of Indian exchange and currency is desirable. From the first moment of my arrival in India two-and-a-half years ago, my aim, frequently expressed, has been to secure the stabilisation of the exchange value of the rupee at the earliest possible moment. But, so long as world conditions and prices were subject to violent fluctuations, I have held the view that relative stability of prices ought to have precedence of stability of exchange, and that to attempt to fix the ratio of the rupee in terms of gold or sterling would be premature just as it was in 1920. I am afraid I cannot agree with you that the present condition of Indian exchange is chaotic. On the contrary, I hold that the responsible authorities have every reason to be satisfied with the results of their policy hitherto in giving stability to Indian prices such as no other country has enjoyed during the last few years, and in placing our currency in a really strong position, so that there need be no fear of our not being able to take the first good opportunity of giving it final stability. Some of the complaints against the conclusions

arrived at by the Babington-Smith Committee and the action taken by the authorities upon their report seem to me to be misconceived. That it was a mistake and entirely premature at that time to attempt to restore stability to the exchange value of the rupee has been abundantly proved by subsequent history. Too little heed was paid, when that attempt was made, to the abnormal conditions of the world generally at that time, and undue emphasis was, I think, laid on stability of exchange as compared with stability of prices. But the idea that the Babington-Smith Committee and the authorities who acted on their Report changed the old ratio of the rupee to gold, or took away from it its pre-war stability, seems to me historically inaccurate. The rupee had no effective ratio in 1919 ; the course of prices during the war, particularly of silver prices, had already upset the pre-war ratio and taken the rupee entirely away from any moorings. The mistake made in 1920 was therefore not the mistake of changing the pre-war ratio which had ceased to exist, but the mistake of making a pre-war attempt to fix a new ratio, and it is against a repetition of such an attempt, so long as there is reason to regard it as premature, that I have hitherto held out.

This brings me to the Chamber's repeated demand for a restoration of the pre-war ratio of 1s. 4d. May I say without offence that I do think that the Chamber is making a fetish of the ratio of 1s. 4d.? I cannot understand why it should regard it as having any special sanctity, and I am unable to agree that, so long as a considerable raising of prices all round must inevitably result, anything would be gained by an attempt to lower the ratio now to 1s. 4d., whether it is done suddenly or by gradual stages. It is not only prices of imported goods or prices of goods such as wheat and rice having a world price which are affected by exchange, but all internal prices, whether connected with or entirely disconnected from imported goods or goods having a world market, necessarily tend to move up and down in accordance with the value of the counter which is used as the medium of exchange. A policy which means an increase of prices all round for the consumer, without, so far as I can see, any corresponding benefit to any one in India other than some purely temporary and ephemeral one, cannot, I think, be in the true interests of the peoples of India. I

dealt with this question at some length in my last Budget speech, and I hold to all that I then said. I do not forget that a strong plea for higher prices was made by Sir Purshotamdas Thakurdas Kt. at a later stage during the session, but his argument seemed to me to be based on very much the same grounds as those on which the Minority Report of the Fowler Committee of 1898 were founded and they were very effectively answered on the spot by Dr. Hyder whose apt quotations from Professor Marshall's evidence before the Gold and Silver Committee of ten years earlier showed that these arguments were already exploded fallacies ten years before the Fowler Committee.

I am glad to observe, Sir, that you have not endorsed the view sometimes expressed by this Chamber that the only explanation of the Government of India's action with regard to currency and exchange must be found in some desire to consider interests other than those of India. Such a charge is entirely unfounded. It might be, indeed it has been, argued with equal truth that in preventing a further rise of sterling prices in order to secure the restoration of the Gold Standard in England the authorities were actuated by a consideration for the interests of the United States of America. And I think I I have the right to make a serious complaint in regard to the way in which this charge was made in a recent letter from the Chamber to the Government of India. In that letter it was suggested that the postponement for 12 months of the date for instituting an enquiry into the question of Indian currency and exchange was actuated not so much by domestic Indian considerations, as by the convenience of the London money market, for a period of 12 months would just give time for the Act imposing an embargo on gold export from England to expire. In the very next paragraph of the same letter mention is made of the enormous quantities of gold coming into India, and it is well-known that there is no kind of obstacle to India's importing as much gold as she pleases. Indeed, there are many who think, and with strange arguments in their favour, that the amount of gold imported into India in the last year would have been less than it was if the rupee had been stablised. In any case, therefore, the absence of a fixed ratio for rupee does not assist England in obtaining or retaining her gold, and there is some foundation for the view that it

actually adds to the drain on England's gold. If, therefore, the authorities have been actuated by a consideration for the convenience of the London money market, they would have had some reason to press, not for a postponement of action to stabilise the rupee, but for its acceleration.

May I venture to make an earnest appeal for a less suspicious attitude in this and other questions? I have just returned from a visit to England, and I have been much impressed by the evidence which I found in all quarters of a keen desire on the part of the peoples of the British Islands to co-operate with the peoples of India not only in effectively carrying through the policy enunciated by the declaration of August 1917 and the Government of India Act of 1919, but also in promoting the economic development of India, using the word 'economic' in its broadest sense, to include agricultural, industrial, commercial and other similar activities. I am one of those who believe strongly that the political connection of England and India offers very great mutual advantages to both parties, and that if by cordial co-operation we can succeed in taking opportunity by the right hand and advancing India on the road to economic prosperity which offers her such enormous possibilities, both England and India will be greatly benefitted. I belive therefore that any policy which is detrimental to India's prosperity must be detrimental to the interests of Great Britain. If at any time there seems to be a divergence of interest, my duty as a Member of the Government of India makes it impossible for me to do otherwise than to give priority to India's interests, but I go further and say that I believe that in doing so I shall invariably in the long run be serving the true interests of England. May I then, in all sincerety, ask you, members of the Bombay business community, to do your part in coming forward to meet the offer of co-operation from England half-way, and may I also ask you to consider that if at times the action of the Government of India is not in accordance with what you feel to be in your interests, the Government of India has to take, to the best of its ability, a wide view of the interests of the whole continent of India and Burma, and that it may very well be truly serving the real interests of India as a whole, even if for the moment it seems to differ from the view taken in Bombay of what ought to be done.

Let me return to the question of exchange. I note that you show some concern at the possibility of the rupee rising beyond 1s. 6d. The same reason for which I would regard a deliberate depressing of the ratio to 1s. 4d. as undesirable, namely, that it would upset the equilibrium of prices to the disadvantage of the consumer, makes me unwilling to contemplate in present circumstances a rise to 1s. 7d. or 1s. 8d. which would depress rupee prices to the disadvantage of the producer; that is to say, I am still of opinion that great weight must be attached to comparative stability of prices. So long as there is no material change in general conditions, internal and external, which would warrant a revision of this view, I may therefore say, without prejudice to the findings of the Currency Commission or Committee, that we have no desire, in present circumstances, to see a further rise, i. e. a rise above 1/6 $\frac{3}{16}$ which would be approximately the upper gold point if exchange were stabilised at 1/6.

Currency Commission.

You will observe that in view of the contemplated appointment of a Commission or Committee to consider the currency and exchange policy of India, it is necessary for me to speak with some caution in regard to that policy. What I say must necessarily be taken as the expression of the views which we, as at present advised, hold. We must naturally reserve our right to reconsider them in the light of the findings of any such body. In January of this year His Excellency Lord Reading stated that, if world conditions did not change in such a way as to render such action undesirable, it was the intention of the Secretary of State and the Government of India to institute an enquiry within about twelve months hence. The Legislative Assembly at Delhi was anxious that the enquiry should take place earlier. You have quoted a part of the Resolution passed by a majority of the Assembly but not accepted by the Government. May I remind you that, so far as the constitution of the Committee was concerned, the Government and the majority of the Assembly were prepared to come to an agreement on an amendment which asked that the Committee should contain adequate and satisfactory Indian representation? The reason why that amendment was not adopted had

nothing to do with the constitution of the Committee, but with the question of the date at which it should be appointed. I can assure this Chamber that there is every intention on the part of Government to do its best to secure adequate and satisfactory Indian representation when it is appointed. As regards the terms of reference, it was made clear in the course of the debates of the Assembly that the reference should be a wide one. There is no intention, for example, to narrow it in such a way as to require the Committee, whether it is in India's interest or not, to report in favour of a Gold currency in circulation. I would draw your attention to the fact that England in reverting to the Gold Standard, has now deliberately made its notes inconvertible and has no apparent intention of reverting to the wasteful system which was in vogue before the war of using sovereigns in circulation. Gold will be confined to its more necessary function as a medium of international exchange. It seems to me that this is a precedent which may be of very great assistance to the Committee in formulating their views as to the future system of currency for India. One of the subjects for examination by the Commissson or Committee would obviously be the question of the transfer of the business of the Currency Department to the Imperial Bank. I note the views of your Chamber that the handling of the remittance business of the Government of India and the management of the balances in London should be handed over to the Imperial Bank. Opportunity will no doubt be taken by your Chamber to press these views before the Commission or Committee. May I take this opportunity of referring to a rather strange rumour to which circulation was given during my absence from India? The Imperial Bank of India, ever since its foundation has been growing more and more important as the centre of the financial and business world of India; if additional function such as are now suggested are to be handed over to it, it will become even more important. From the first I have taken a great interest in the development of the Bank as the true Central Bank for India; I look forward to the time when it will fully take its place side by side with the Bank of England, the Bank of South Africa, and the Commonwealth Bank of Australia, as one of the great

Central Banks of the Empire, and with the Federal Reserve Banks of the United States of America and the other great Central Banks of the world. Those who have read the report of the Genoa Conference in regard to financial questions will remember that great stress was laid there on the benefits which peoples of the world might hope to secure from the co-operation between the Central Banks of the nations. But it never occurred to me, until I was told the rumour as a good joke when passing through Bombay last March, that I was to be saddled with the duties of Managing Governor of the Imperial Bank of India, and I have never coveted the distinction. I have no notion why the rumour was started; I do know that it was and is entirely without any foundation. Sir Norcot Warren and Mr. Murray will I hope, continue to give their valuable services to India as Managing Governors for a considerable time to come.

It is only just a week since I landed in India, and I have not had an opportunity of discussion with the Government of India. Moreover, the question of the appointment of a Commission or Committee, to consider Indian Currency and Exchange has naturally formed one of the subjects of discussion between His Excellency Lord Reading and the Secretary of State. It is not therefore possible, and if it were possible, not proper for me to say anything more than has already been said in regard to the date of the initiation of the enquiry. It will be recognised on all hands that the action taken in England to restore the Gold Standard is of material importance in regard to the date of appointment of a Commission in India. One of the big uncertainties of the situation has been removed by the disappearance of large fluctuations between the value of sterling and the value of gold and of the dollar. In the circumstances, however, I must ask you to possess your souls in patience until such time as announcements come to be made in regard to the decisions taken by the responsible authorities as the outcome of the conversations now taking place in London.

I observe that it is apparently the view of the Chamber that we should not wait for the enquiry before fixing the ratio, and I gather, though I am not quite sure whether this is their intention,

that they would like to suggest that, if fixation at 1s. 1d. now is ruled out as it certainly is, immediate action should be taken, whether by an alteration of the statutory ratio to 1s. 6d. or otherwise, to secure that exchange shall not rise above 1s. 6d. pending the recommendations of the Committee. If it is accepted that action cannot be taken deliberately to reduce exchange below 1s. 6d. at the present time, and that an automatic measure for expanding currency during next busy season is desirable, the views of the Chamber as stated by you, Sir, suggest to me that you would like statutory action taken to alter the ratio at once from 2s. to 1s. 6d If this is really your view it is one to which I am sure the Government of India would give due consideration if put forward with the authority of your Chamber.

So long as the statutory ratio remains at 2s, the method by which currency can be expanded must remain the method followed with, I think, useful results during the last few seasons, namely, the creation of currency in India against an addition to the securities in the Paper Currency Reserve in London. I see that you, Sir, are still doubtful in regard to the explanation which I gave in the Legislative Assembly last session that the price at which sterling deposited in the Paper Currency Reserve is calculated makes no more than a book-keeping difference. I assure you, Sir, it is so. There is of course the separate question of what rate you should take if you do not take the statutory rate, and so long as the rate is fluctuating, this must be a difficulty. But even assuming that this difficulty is got over, and supposing for the sake of example that the rate of 1s. 6d. had been taken, the effect would have been not to increase the amount of rupees issued in India, that is not to increase the circulation in India, but to reduce the apparent amount of sterling in the Paper Currency Reserve in London and increase correspondingly the apparent figure of the sterling balances outside the Reserve.

Rupee Loan.

I am afraid I cannot accept the credit of having refrained from the issue of a Government loan this year on account of the abnormal

tightness of the money market. I do not think it is true to say that the money market has been or is abnormally tight. Generally speaking, conditions have been very much easier during the last twelve months than they were in the previous twelve months, and very much easier than was normal in a busy season before the establishment of the Imperial Bank of India. The absence of a rupee loan this year is due to quite other considerations. In the speech in the Assembly from which you have quoted, Sir, my statement to the effect that our commitments in regard to new capital outlay and maturing debt pointed to the necessity of coming into the market for 20 crores a year for the next 5 years, was carefully qualified by the statement made in the same speech that it does not of course mean that we should necessarily come for a loan of 20 crores each year: on the contrary, within a fortnight of the time when I made that speech I announced in my Budget speech that the maximum amount of our rupee loan this year would be 12 crores a figure of which I was well aware when I made the earlier speech. I was careful moreover to say that this figure was a maximum: indeed, as the time when I said that, we were already discussing in the Finance Department the possibility of doing without a loan altogether. There is always, I find, both here and elsewhere, the difficulty of making plain, even to those who are students of finance, the practical differences between a ways and means budget and an ordinary revenue and expenditure budget. The latter sets forth on one side the income expected to be received in the 12 months under the head of Revenue and the expenditure to be incurred during the same period chargeable against that revenue. The balances of any Government are affected by many transactions outside the revenue and expenditure account, and some of the transactions within the revenue and expenditure account itself are in the nature of transfers from one head within the balances to another which do not for the moment at any rate affect the total of those balances. In India the position is much more complicated than in many other countries owing to the fact that all the balances of all the Provincial Governments are included in one single figure, namely, the figure of the balances of the Government of India. Those balances are kept mainly in India and partly in London

to meet external outgoings. The estimate of the amount required from a rupee loan in any one year is based on a consideration, first, of the state of the balance on the 31st March of the closing year, secondly on an estimate of all the incomings and all the outgoings on revenue account, on deposit account and on capital account of the Government of India including the Railways and all the incomings and outgoings of all the Provincial Governments, and thirdly on an estimate of the probable balances at the close of the following year. It is evident that such an estimate framed in February of any one year must contain a large element of guesswork, and I have been careful always when speaking in public in regard to what is called the ways and means budget, to explain that the figures must be taken as illustrative only. The figure of a maximum of 12 crores for our rupee loan this year, used for the pusposes of illustration in my Budget speech, assumed in the first place a closing balance on 31st March 1925 of some 2 crores less in England and some 5½ to 6 crores less in India than is indicated by the actuals. The improvement in England is due mainly to underspending on capital account; the improvement in India seems to be due mainly to over-cautious estimating of incomings and outgoings by the Provincial Governments. The final audited accounts are not yet available, so I cannot speak to-day with complete exactness but these figures may be taken as approximately showing what has happened. On these figures our position proves to be better by nearly 8 crores than the figures on which I was working when I gave the maximum of 12 crores as the amount of our rupee loan. But that figure of 12 crores included also the amount, approximately 3¾ crores, of 5½ percent Bonds maturing this year. These Bonds are now being dealt with by means of our conversion loan in regard to which an announcement was made two days ago, and as they have been dealt with in that way, there is no need to ask for cash subscriptions to any loan at all on that account.

This is the explanation for the absence of a rupee loan

for cash this year. If the Government of India are not to be free to reduce, as they were able to do last year, the amount of their rupee loan below the figure foreshadowed in the Budget, I am afraid the only means which I can suggest for placing themselves beyond criticism is that they should refrain, as they reasonably might do, from presenting any estimates at all for their ways and means budget at the time when the general budget is presented. I have no objection to adopting this course if it is really the wish of the people of India that I should do so. But if I am to present any ways and means budget in future, I must insist that in doing so I am giving illustrative figures for general guidance and not exact figures. I am glad, Sir, to see that you have not endorsed the suggestion that instead of making a change in their ways and means budget the Goverment of India might have remitted taxation to a larger extent than they did. Those who do so have fallen into the error of which I have already spoken, of confusing the ways and means budget with the budget of revenue and expenditure. If, as I hope may be the case, the actual outturn of the year 1924–25 shows a surplus slightly larger than the figure given in the revised budget this relates to a year which is closed and has no bearing on the question whether or not we could afford to remit taxation in 1925–26. The estimate which I gave for the year 1925–26 for the revenue and expenditure were based on the best figures available and nothing has happened to enable me to revise them in any way. It is surely a non sequitur to suggest that if the revenue surplus for 1924–25 is slightly higher than the revised estimate, this would justify the Government in reconsidering at the present date the decision arrived at after the most careful and prolonged consideration in regard to the Cotton Excise Duty. I do not think either you or I can add much to the discussion of that subject at this stage. Our respective positions are fully understood by each side. We are agreed that the duty must be abolished. You would like to see it abolished now even without regard to financial considerations; the Government of India have every intention of abolishing it as soon as financial considerations permit.

In regard to the question of Japanese competition with the mill

industry, I have noted very carefully the expressions which you have used, and as you are no doubt aware, I have already had an opportunity of discussing this matter yesterday with the Millowners' Association. I am not in a position to say what may or may not have transpired in regard to this matter during the time that I have been absent from India, as it affects the Government of India as a whole and the Commerce Department, even more directly than the Finance Department, I must confine myself to-day to promising to draw attention immediately on arrival at Simla to the views which have been put forward to me on the subject in Bombay.

I have now dealt with all the subjects which were referred to in your speech. Before concluding, I should like to say one word more about the conversion loan. Our ability to do without a cash loan this year should I think be a strong influence in securing support for the conversion loan. I trust that all those who are interested in the prosperity of the business and commerce of India and indeed all who have the interests of India at heart will give full support to these issues and do their best to secure general support for them. It is of immediate and direct interest to everyone in the country that our conversion programme should prove a complete success, and this is our first step on the road. The terms are, I think, attractive. They have been made deliberately and intentionally attractive, and for that reason it is perhaps improbable that the next conversion issue will offer such good prospects to the investor. In 1923 we made an issue of 5 per cent loan 1945–55 at 96; last year we issued the same loan at 99, and I drew attenttion then to the probability that investor was getting better terms than he was likely to get in 1925. This year the issue price of the 1945–55 loan has to be inferred from the conversion terms as it is not actually stated as a cash figure, but it is evident that it is considerably higher than last year's figure of 99. In addition to the 1945–55 loan, we are this year issuing, as an alternative, 10-year Bonds subject to income-tax. There are, I think, considerable objections to the issue of Government loans free of tax, and I hope that year's issue will prove to be the first step on a

gradual return to the system which was in force previous to war of making all Government securities subject to tax, and that as the existing tax-free loans mature or are converted, they may be converted into issues subject to tax. As I said before, it is of direct interest to everyone that this con version programme should prove a success; on it we depend for a gradual lowering of the charge for interest on Government debt. The Railways and the Provincial Governments are directly interest ed as much as the Central Government in a lowering of the rate of interest which will reduce the charge they have to pay for capital for development purposes. The Central Government looks to a reduction of the interest charge as one of the chief methods by which it can keep down the figure of its gross expenditure and thereby pave the way for reducing the provincial contributions and abolishing the Cotton Excise Duty and reducing other taxation. There is no need for me to elaborate the point where it is to everybod'ys interest to make these conversion issues success, and I know that all India will co-operate with the Government of India and the Finance Department, and will vie with one another in taking up these issues. I thank you, Sir, and I thank the Chamber for the opportunity which you have given me thus to address you and for the patience with which you have listend to what I have had to say.

No. T. 943 24th July 1925.

From Chamber to the Government of India Finance Department.

With reference to the visit of the Hon'ble the Finance Member to this Chamber on the 3rd instant my Committee wish to clear up a misapprehension on his part of the portion of the speech of the President of this Chamber in which a method of providing currency automatically had been suggested. The Hon. Member took it to mean that because the Chamber consid ered it desirable to provide a quasi-automatic means of expanding the currency during the next busy season, they were in favour of immediately fixing the exchange at 1s. 6 d., and that they would like statutory action to be taken to alter the

ratio at once from 2sh. to 1s. 3d. He then went on to invite this Chamber to put forward this view officially and said it would receive due considertion if so put forward with the authority of the Chamber.

2. My Committee have carefully re-considered this part of the President's speech and failed to find any warrant whatsoever for the inference drawn by the Hon'ble the Finance Member. What my Committee had in mind was the necessity for some more or less automatic provision of currency which the Bengal Chamber of Commerce had also emphasised in their representation to Government just a year ago. The Bengal Chamber had then suggested that sterling should be bought at market rate in order to provide the necessary currency and that although such buying might interfere with the ordinary remittances of Government, the necessity for the provision of currency should take precedence and that by the present methods of Government currency was expanded to only two-thirds of the extent to which it might have been expanded by the purchase. My Committee feeling, as they do, the need of some automatic provision of currency have shown the way in which it could be done without infringing the existing provisions of the Paper Currency Act and without prejudice to the ultimate ratio that might be adopted and are therefore rather surprised that the Hon'ble the Finance Member should have construed this as implying that they were anxious to immediately fix the ratio at 1s. 6d. I am desired to point out that such a construction of the President's speech is entirely at variance with every representation so far addressed by my Committee and every speech made by their representative in the Assembly in which they have made it clear that the ratio to be adopted cannot be other than the pre-war ratio of 1s. 4d. gold.

3. The Hon'ble Member was pleased to consider that our Chamber was making a fetish of this ratio, and that he could not understand why we should regard this ratio as having any special sanctity. My Committee would beg to most respectfully point out that it is not a mere fetish. In the Indian system, the Rupee is the standard measure of value and tampering with it vitiates all contracts between debtors

and creditors made during the past 30 years. Any tampering with the standard measures of length or weight or volume is forbidden by law, and my Committee consider that the present tampering with the measure of value stands in the same category, and equally deserves condemnation. If insisting on honesty in the matter of standard weights and measures is called a fetish, then my Committee must plead guilty to the charge.

4. There was one part of the Hon'ble the Finance Member's speech which my Committee noted with a certain amount of relief. It was where he said that Government had no desire to see in present circumstances a further rise in Exchange from 1s. $6\frac{3}{16}$d. which was approximately the upper gold point if Exchange were to be stabilised at 1s. 6d. They are gratified at this assurance not merely because it saves the financial community from the consequences of exchange fluctuations but also and more particularly because of the explanation accompanying it, in which the Hon'ble Member said that the same reason for which he would regard a deliberate depressing of the ratio to 1s. 4d, as undesirable viz. that it would upset the equilibrium of prices to the disadvantage of consumer made him unwilling to contemplate in present circumstances a rise to 1s. 7d. or 1s. 8d. which would depress rupee prices to the disadvantage of the producers. As the fight of my Committee for 1s. 4d. has always been in the interests of the producer they were gratified to think that Government do not entirely overlook these interests. In his speech introducing the Budget the Hon'ble the Finance Member had argued that the producer was not being prejudiced by the rise of exchange from 1s. 4d. to 1s. 6d. because world prices had gone up and the producer would be getting the same amount of money any how. While my Committee do not wish to subscribe to the doctrine that it was enough that the producer was getting the same amount of money and should not be allowed to get more and while they also do not agree that what the producer is getting today is adequate, they would like to know whether Government propose to put exchange down again to 1s. 5d. or 1s. 4d. as soon as world prices begin to go down again to, the level of August 1923, because the producer would not be otherwise getting the same amount of money that he gets today.

This is not merely a hypothetical question as prices in many staple commodities are already on the decline and are at a very low level indeed in cotton.

5. If my Committee are right in this inference they will be glad to have a clear pronouncement of Government policy that they do propose to put Exchange down again as soon as there is a fall in world prices in order that the interests of the producer might be safe-gaurded.

APPENDIX 88.

INTERVIEW WITH THE FINANCIAL COMMISSIONER OF RAILWAYS.

Speech of the Hon'ble Mr. P. C. Sethna at the time of the interview of Mr. Sim with the Committee of the Indian Merchants' Chamber.

Sir,

I am glad to welcome you on behalf of the Committee of this Chamber to our meeting to-day. Among the several Departments of the Government with which my Committee have to deal, they have frequent occasion to address the Railway Board and they are glad that you as custodian of the financial interests of that Department have come to this meeting to discuss with us matters lying within the sphere of the Railway Board.

2. The question of the development of water transport has been a very old one but unfortunately, paradoxical at it may appear the attention paid to some questions is in inverse ratio to their age and so instead of more attention being paid to this question of water transport, very scant courtesy is shown to it even when it crops up as a hardy annual in the representations or discussions of some such body as ours and Government think that they discount its importance

when they refer to it as old. The Acworth Committee referred to it and recommended that this was eminently a matter to which the communications department which, according to their suggestion, was to take charge not only of Railways but also of Canals and Ports should direct its attention. Such a department is not established and this important recommendation of the Acworth Committtee is shelved along with several of its useful suggestions and proposals. My Committee at the time of the discussions on the Railway Budget addressed the Government pressing for an additional member of the Railway Board who would devote himself entirely to water transport. They hope that an early opportunity will now be taken by the Government to get an authoritative report on this question which is pregnant with so many possibilities for the good of the country.

4. My Committee wish to draw your attention particularly to the extremely high rates and fares in force at present on Indian Railways with apparently no intention on the part of the Railways to bring them down. This process of increasing the rates was set in motion since 1913-14. Both in passenger and goods fares the increase has been very considerable. What is most objectionable about this rise in rates and fares is that they operate as a tax on trade and industry and seriously handicap it, as they affect materials at every stage from produce to consumption and tend to discourage production by making it unremunerative at the higher Railway rate charged while it might be reasonably remunerative at a lower Railway rate. These rates are at the same time an important factor in the continuance of higher prices. Government cannot be unaware of the serious trade depression and unemployment now prevailing and my Committee consider that a considerable reduction of Railway rates is now urgently called for in order to encourage trade and they feel confident that such reduction while benefitting trade and industry will not ultimately adversely affect Railway Revenues because the cheaper rates are bound to increase the velocity of circulation of traffic. My Committee would therefore urge upon Government the early consideration of a downward revision of rates. Countries like England and the United States and some other countries have seen the wisdom of reducing their railway rates and fares to meet the con-

venience of industries and India is my Committee fear, one of the few countries which have seen no necessity for making reduction in their rates and fares

4. It is because of this and other reasons that my Committee have been urging earnestly on the attention of Government the early appointment of a Rates Tribunal which was recommended by the Acworth Committee and which has taken already about 4 years to Government to consider. You, Sir replying to the representative of this Chamber in the Legislative Assembly, said that the Secretary of of State's despatch had barely been received by you on the 25th January last and that you were not in a position when the question was asked, in February last, to make any declaration as to what the Government policy was going to be regarding that Tribunal. Almost four months have passed since then and my Committee are anxious to know, if you, Sir, are still in a position to make any statement with regard to the fate of this important proposal. Even before the Acworth Committee recommended this proposal, another important Commission viz, the Holland Commission made pertinent remarks regarding the necessity of seeing that the rates charged by the Railways of India were equitable in the interests of both local industries and agriculture. My Committee attach very great importance to the early establishment of a Rates Tribunal and the prolonged, unjustifiable and inexplicable delay on the part of the Government in announcing the decision fills them with apprehension regarding the ultimate outcome of this proposal.

5. The next subject on which my Committee desire to speak to you is the prepayment of freight on coal. The system known as the "to pay" system was withdrawn for coal in 1917 and since then despite the representations of coal interests the two Railways concerned viz. the Bengal Nagpur and East Indian Railway have not restored the system which was in vogue before. My Committee have written to the Railway Board on this matter on the 15th of May last. They would like to emphasise the very serious handicap that it places upon the smaller collieries as these have to find in cash twice or thrice the amount of the value of the coal for freight

alone and we will be obliged to get an assurance from you that the suggestion made by my Committee will be accepted.

6. My Committee have been recently in communication with the Bombay Baroda and Central India Railway with reference to their refusal to accept securely packed sample parcels of matches for transmission since August last, although such parcels it is said used to be booked to different stations by Railway parcels for years past. Such parcels can be despatched neither by Goods trains owing to their very small size nor through post, the nature of the contents being inflammable. The match manufacturers have thus not a single means left for despatching their sample to other places which is quite indispensable in the present state of the match industry for the expansion of the business. My Committee hope that the practice which was in vogue previously for a good many years will be again restored.

7. Before I conclude, I should like to express to you the feelings of my Committee with regard to the purchase of Stores by the Railways. The Chief Controller of Stores in his Administration report of the Stores Department for the year 1923-24 writes thus :—

> "A disappointing feature was the reluctance manifested by the Central Departments with the two notable exceptions, the Army Departments and the Public Works Department at Delhi, to utilise the agency of the Indian Stores Department in connection with their purchases to a larger extent than hitherto."

This pronouncement by a responsible head of a Department is indeed grave, for it means nothing less than this that the Railway Department is one of those Departments which refuse to comply with the expressed wishes of the Legislature with regard to the purchase of Stores. My Committee are strongly for having the whole of the Stores Department in this country and for having tenders invited to this country and in rupees. Even when this system is not adopted it should be the first axiom with the Government to purchase all their requirements in this country and failing

this to get them in the cheapest market and to make the utmost possible use for the purpose of the agency of the Indian Stores Department. What now seems to be going on with regard to the purchase of stores is that the major part of tenders are higher than those of their continental competitors. How much cheaper continental prices are than British may be seen from the statements we have prepared for you. One is a table showing the prices tendered by the various firms for the recent Egyptian locomotive contract. The figures which represent the prices tendered per engine tell their own tale. The other is a statement of comparative prices with regard to Railway materials given recently in a letter to the Times by no less a person than Sir Charles Armstrong, President of the G. I. P. Railway Board. Lord Inchcape speaking at the annual meeting of the P. & O. Company last year quoted several pertinent figures showing the very large difference which prevailed between the rates quoted by British and Continental manufacturers. The placing of orders for six steamers recently by a British firm with a German shipbuilding firm also illustrates what we want to emphasise viz. that British rates are generally much higher than Continental rates. If notwithstanding this the bulk of the orders of Indian Railways are placed with British manufacturers it only means that so much of the money of Indian taxpayers is paid away as a bonus to the British manufacturers. My Committee would not have the slightest objection to giving preference to British manufacturers at the same price but they cannot support a system under which preference is given to British manufacturers at the expense of the Indian taxpayer who can hardly afford it. A word more with regard to the method of showing accounts of purchase of Stores and I have done. If the Government purchase 15 crores worth of goods in England they show in their accounts 10 crores as spent in England and 5 crores as loss on exchange in India. As a matter of fact they have paid Rs. 15 crores to British manufacturers. Still on the two shilling ratio they show 10 crores as having been spent in England and 5 crores in India as loss on exchange. Such a method of accounting as the member who drew the attention of the Assembly well put it, can be considered nothing else than

ridiculous and misleading as it gives quite a wrong idea of the purchases made outside India on behalf of this country. I trust that the recommendations which I have ventured to make on behalf of my Committee will receive the favourable consideration of the Railway Board.

Extract from the Statist (London) dated 23rd May 1925.

(Page 964.)

Table showing the prices tendered by the various firms for the recent Egyptian Locomotive contract.

German Companies :—	Egyptian Pounds.
Maffei Schwartzkopf, Berlin	2,050
Allgemeine Electricitaets Gessellschaft, Berlin ...	2,432
Linke Hoffman Werke, Breslau	2,472
Berliner Machinenbau	2,495
Hohenzollern Locomotive Company, Dusseldorf ...	2,500
Orenstein and Koppel, Berlin	2,545
Fried. Krupp and Co., Essen.	2,680
Union Giessered, Konigsberg.	2,750
Rhein Metal Co., Dusseldorf.	2,760
Henschel and Son, Cassel.	2,825
Ezling Machine Factory	2,862
Hanomag Company, Hanover.	2,970
Machine Company Humbolt, Cologne.	2,990
Machine Building Company, Karzsruhe	3,095
F. Schichau, Elbing.	3,290
Hartman Company	3,500

Italian Company :—	
Nicolo Romeo	2,800
Resista Locomotive Company	2,993
Brede Locomotive Works	3,750
Belgian Companies :—	
Forges Usines at Fonderies de St. Pierre	2,960
Atellier Metallurgique Niv.	3,150
Atelier de la Meuse	3,695
Franco-Belgian Company, La Louviere	3,800
Usines Metallurgiques, ...	4,100
Austrian Company :—	
Krauss and Company.	3,100
Dutch Company ;—	
Workspoor Locomotive Works	4,120
Swiss Companies :—	
Swiss Locomotive Factory	4,300
British Companies ;—	
Nasmyth, Wilson and Company.	4,920
North British Locomotive Co.	5,605
Beyer, Peacock & Co.	5,700
Barelay, Andrew.	5,850
Armstrong, Withworth and Co.	5,950
Wm. Beardmore and Co, ...	6,160

In addition, there were two British tenders for £E. 6,252 and £E. 6, 406, respectively.

Statement of comparative prices with regard to Railway materials given recently in a letter to the Times by Sir Charles Armstrong, President of the G. I. P. Railway Board.

Materials.	British Tenders		Continental Tenders.	
	Highest	Lowest.	Highest.	Lowest.
	£	£	£	£
Laminated springs ...	2,286	2,074	2,244	1,749
Helical and volute springs ...	2,536	1,685	2,793	1,481
Rolled steel disc, wheels and axles.	5,509	4,415	5,847	3,701
Crark axles	665	374	400	274
Axle boxes	2,683	1,551	3,317	1,329
Steel tires	2,283	2,166	2,564	1,390
Copper tubes	1,188	1,074	...	880
Steelwork for bridges ...	3,380	2,934	2,969	2,707
Solid drawn steel boiler tubes	7,061	3,443	2,674	2,329

Mr. Sim, the Financial Commissioner of Railways in reply said :—

Mr. Chairman and gentlemen, I was very glad to avail myself of your kind invitation to come here this morning. Although I have had the pleasure of personal acquaintance and friendship with many of your individual members for some years past, this is the first occasion on which I have had the privilege of meeting you collectively as a Chamber. As a Committee of businessmen, you will not welcome any general observations or disquisitions from me; so I propose to follow the example of your Chairman in the severely businesslike manner in which he limited and directed his remarks to definite points.

The first question which he raised was the recommendation of the Acworth Committee that a Department of Communications should be constituted which should deal with all matters relating to transport. This proposal of the Acworth Committee was not acted upon by the Government of India. I do not propose to go into the general question, but I should like to explain the position regarding the particular suggestion that the development of inland navigation or water transport should be under the same administrative body as is entrusted with the development and management of railways.

You are probably aware that under the Reforms Scheme and the Devolution Rules inland navigation is a purely provincial subject over which the Central Government has no jurisdiction. It is not, therefore, possible without a change in the present constitution to vest any authority under the Government of India with power to regulate matters of this kind which are of purely provincial concern.

The next point raised was the increases made in rates and fares. You are aware that the Acworth Committee pointed out that Indian railway rates and fares were amongst the lowest, if not actually the very lowest, in the world, that a general and substantial increase was overdue, that witnesses from all parts of India had agreed in recognising that these rates and fares should be increased and had stated that they would be ready to pay increased rates and fares provided a reasonably efficient service was given in return. Your Chairman has suggested in his speech that there is cause for complaint in the delay in carrying out some of the important recommendations of the Acworth Committee. Well, if you have any cause for complaint in this matter, I think he might at least have given us credit—I do not say that he should have expressed any gratitude, but he might have given us credit for having given effect to this particular recommendation for the increase in rates and fares. Now, these increases were given effect to only in 1922, and they amounted to an increase of approximately from 15 to 25 % in the case of goods, while passenger fares were raised by approximately 50 % in the third class to 75 % in the case of the higher classes. These increases had to be introduced in order that Railways might pay their way in view of the heavy

increases in expenditure that fell upon Railways in common with all commercial concerns. I think I am safe in saying that the increased charges made by the Railway for what it provides for its customers is less than the additional charges which other business concerns found it necessary to make for what they supply. You are aware that under the convention which the Assembly agreed to in order to give effect to the recommendation of the Acworth Committee for the separation of the Railway from the General finances, the State has agreed to restrict to a definite figure the amount of profit that it will take from the working of the Railways, and that any profit realised in excess of the payment due to the State is paid to reserves which have to be utilised, amongst other things, for the reduction of rates and fares. The question, therefore, of the rates and fares to be charged is merely a business question dependent upon facts and figures. In the general discussion on the last Railway budget, Sir Purshotamdas Thakurdas put a very pertinent question on this matter. He pointed out that we had to put up the rates owing to the increase in the running of Railways; this increased cost was represented partly by increases in the payments for labour, partly by the cost of material, and partly by the cost of raising money; and he wished to know how far those increases in cost still remained, and how far they had been reduced in the different elements that make up the working costs of Railways. I am sorry I did not get an opportu nity of giving him the figures at that time as I was crowded out by other speakers. But on figures which I roughly worked out last year, the cost of labour still remained about 75 % above the pre-war figure, the cost of coal was about 60 % higher and miscellaneous expenditure about 30 %. In view of those figures, I maintain that the increases in rates and fares are low compared with the increases in expenditure; and we have only been able to pay our way and to make a profit by ruthless retrenchment and rigid economy. The position can also be illustrated by considering the general financial results of our Railway working. On the results of the past year, after paying the contribution prescribed, we anticipate that we shall be able to place from 4¼ to 4½ crores into the reserve. That represents merely about 4 % of our gross earnings, and I do not think that for a business like Railways with a Revenue of about 100 crores, a fluctuation of 4 or 5 % in the volume of trade is

anything out of the normal and the amount we put in reserve would not cover more than the risk of such fluctuations. It does not give any margin for a general reduction in charges. When we prepared the budget for the current year, we budgetted for an increase in gross earnings over the receipts of last year of 2 crores. An estimate is only an estimate and is based on the assumption of normal traffic. We have not got that normal traffic, and in the first nine weeks of the year our gross earnings were actually 57 lakhs less than those of last year. Anticipating an increase of 2 crores in gross earnings, we budgetted for placing 3 ¼ crores in reserve, but if the present deterioration and slump in business continued, not only shall we not be able to place anything reserve but we shall actually have to draw upon our reserve in order to enable us to pay our contribution to the State. I mention these figures only to show that in the present general financial position of our Railways, no drastic general all round reduction can be made in rates and fares. But I do not wish to be misunderstood. It is the object of the Government of India, the Assembly and of the Railway Board that the Railways owned by the State should be so run as to provide the cheapest and most extensive facilities for transportation. It is the duty of the Railway authorities to regulate their rates and fares in such a way as to carry the utmost possible traffic at the lowest possible rates. This is a question which is continually under the consideration of the Railways If by reducing the rate for carrying a particular commodity the traffic in that commodity will be stimulated resulting in the long run in no adverse effect on Railway revenues, then the rate will be brought down. I do not think therefore that there is any difference in the principles of the Government in this matter and the general principles set out in the speech of your Chairman. As regards passenger fares in particular, you are aware that last year the Hon'ble Member in charge of the Railways portfolio gave an undertaking that the whole position regarding fares would be overhauled and a report made some time before the next budget is presented. That examination is at present going on on every Railway in India.

This brings me to the next subject touched on by your Chairman,

I mean the establishment of a Rates Tribunal. I regret that I am still unable to make any definite announcement to your Chamber. Your Chairman made a reference to the statement which I made to the Legislative Assembly in February that we had only just received a despatch from the Secretary of State upon this subject, and as we had not had time to consider it, no public announcement could be made in the matter. The Government of India and the Railway Board were in complete agreement with the principal recommendations of the Acworth Committee on this matter although they suggested certain modifications in giving effect to their proposals. There is nothing to conceal in regard to Railway rates, and it is, from our point of view, most desirable that all suspicions attaching to the fixing of rates should be cleared away. The proposals of the Acworth Committee on this matter were placed before the Central Advisory Council and they recommended that a body should be appointed which should be an investigating body and not a statutory one at all events, at the commencement. This would secure all the necessary publicity. The Government of India addressed the Secretary of State upon the subject and received the reply which was referred to in January. That reply referred to certain matters of considerable importance regarding the functions to be entrusted to this body. The reply was placed before the Central Advisory Council in March and a despatch has again been sent to the Secretary of State. I am precluded by the standing Orders of the Government of India from stating what the material point under consideration is, and I am also, I regret to say, unable to say when a reply will be received. The Central Advisory Council have been taken into the full confidence of the Government of India in regard to this correspondence. I only repeat that arrangements for a public investigation and enquiry into the fixing of rates and the basis of assessment would be one most welcome to the Railway Board.

The next question mentioned by your Chairman is one that I was not aware that your Committee was interested in, I mean the question of the pre-payment of freight on coal. It is a question which, you will have seen from the Press, the Hon'ble Commerce Member

has been discussing with the Coal Trade in Calcutta. I do not propose to go into the previous history of the case. The matter has recently been enquired into by the Coal Committee, and while they made no definite recommendation for the scrapping of the present system, they recommended that the matter should be further enquired into by the Railway authorities. We have asked the two Railways principally concerned, the Bengal Nagpur and the East Indian, to look into the matter, and we hope to get their replies at a very early date. From the press report of the speech made by the Hon'ble Commerce Member to the Coal Trade in Calcutta, it would appear that there is every likelihood of the pre-payment system being dropped at all events as an experiment.

The next point raised by your Chairman refers to a somewhat technical matter regarding the despatch of sample parcels of matches on the B. B. & C. I. Railway. This is one of the matters that can suitably be discussed by the local Advisory Council, and I understand that it was so discussed by the local Advisory Council of the B. B. & C. I. Railway only the other day. The position as far as I understand is this; that the Railways are debarred by rules laid down by the Chief Inspector of Explosives from carrying such packages by passenger trains. The B. B. & C. I. Railway at the instance of your Chamber asked the Chief Inspector of Explosives to reconsider the rule, and sent him sample parcels suggesting that in the way in which they were packed, they involved no risks in passenger trains. The Chief Inspector of Explosives has not been able to see his way to make any alterations at present in the existing rules. I understand the members of the local Advisory Council are satisfied that the Railway has done all that it could do in the matter, and that the trade will now take up the matter with the authorities in charge of the department concerned.

I now come to the question of the purchase of stores by Railways. As regards the quotation from the report written by the Chief Controller of Stores, you will not expect me to explain and I was not prepared for a cross-examination on a portion of a report which I did not write and for which I am in no way responsible. I

would only observe that the report dealt with the year 1923-24 and that the purchases of Railways through the Department of Stores in 1924-25 showed an improvement. I am also sure that the last thing the Stores Department would desire would be that they should be made responsible for the purchase or supply of stores without adequate organisation or staff sufficient to secure the utmost confidence of the departments concerned. The method of utilising the Stores by Railways is one that has been discussed by the Central Advisory Council and also in the Assembly. The Agents of Railways have been told to carry out the rules of the Government of India regarding the purchases in India, and on the State lines they have been told to make use of the Indian Stores Department particularly for certain classes of stores which that Department is prepared immediately to deal in. It is rather a difficult matter to graft a new department of this kind on the elaborate organisations which already exist for the purchase of stores on different Railways. Copies of every indent sent by an Agent of a Railway to the Director-General of Stores in London are scrutinised by the Chief Controller of Stores so as to prevent indents being unnecessarily sent abroad. But I wish to point out that, whatever the agency employed, it is the policy of the Government of India-a policy which the Railway Department enforces strictly-to purchase their requirements, as stated by Chairman as far as possible in this country wherever they can be obtained at a reasonable price and of suitable quality and failing this, to get the products in the cheapest market. Leaving other aspects of the question out of consideration, from the point of view of economy alone, it obviously pays to get your supplies from the nearest possible source and so reduce your holding of stores, with consequent reduction of interest charges, loss in depreciation, deterioration etc. As regards purchases made abroad, I wish to repudiate as strongly as I can any idea that orders are placed in England for articles of similar quality which can be obtained at a cheaper rate in the Continent. This is not the case, and I think you can count upon the High Commissioner in London safeguarding the interests of this country to see that nothing of this kind occurs. My experience has been that there is no ground whatsoever for any

such idea. On the contrary orders have been going in increasing quantities to foreign countries. I would refer, for examples, to the list quoted by your Chairman the list prepared by Sir Charles Armstrong. Now, that list was prepared by him for the purpose of showing how in a very large number of cases the tenders he received from the Continent were below the lowest English tender and the tenders in consequence went to the Continent. He wrote the letter in order to try and induce the Government of the United Kingdom to come to the assistance of those particular trades in order that they might retain some of the trade which was going and had been going to their rivals on the Continent. As regards purchases in this country we make it a point now in every annual report on the working of Indian Railways to show exactly what stores are purchased in this country and what stores are purchased abroad, and to show the reasons why we purchased abroad, and I think that if you will go through this list, you will find that we have not allowed orders to go outside India which could reasonably have been placed in India. There is one minor point regarding the purchase of stores referred to by your Chairman at the end of his speech. He referred to the system of showing in the Budget the estimates for expenditure on the purchase of foreign stores and on the purchase of indigenous stores. Under the present rules we have to show in the budget the amount spent on stores purchased here in rupees and that spent on stores purchased abroad in sterling converted at the rate of Rs. 10 to the pound and then to show separately the loss by exchange and he has pointed out that this method of showing the expenditure does not give the true ratio of expenditure in England and in India. That is a point that was discussed on the Standing Finance Committee for Railways. It refers only to the budget. We have not got a separate form for the budget. We have to follow the form laid down by other Departments. We are enquiring into the matter, but I do not myself attach much importance to this small point for this reason that the figures referred to are only budget figures more estimates. When you criticise the working of Railways, it is better to base the criticism on what the Railways have actually done than on what they propose to do in uncertain circumstances. The criticism should be founded therefore on the annual published accounts

showing what the transactions really were. In those annual returns showing the actual transactions we give figures showing separately how much has been spent on the purchase of stores made in India, on articles manufactured abroad but purchased in India, and articles manufactured and purchased abroad. Those figures give the actual rupee expenditure on each class the amount shown as expended on foreign stores gives the actual rupee 'expenditure including the customs duty and the 'loss by exchange'. These figures give an exact and straightforward statement such as your Chairman wishes to have.

APPENDIX 89.

INTERVIEW WITH THE HONOURABLE SIR CHARLES A. INNES, MEMBER FOR COMMERCE AND RAILWAYS, GOVERNMENT OF INDIA.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchants' Chamber, at the interview of the Honourable Sir Charles Innes, K. C. S. I., C. I. E., Member for Commerce and Railways, Government of India, with the Committee of the Chamber on Friday, the 6th November 1925.

The Honb'le Mr. Phiroze C. Sethna in addressing the Hon'ble Member for Commerce said :—

Sir Charles Innes,

On behalf of my Committee I have much pleasure in welcoming you to this Chamber, after an interval of almost three years. We have come to regard these visits from the Commerce and the Finance Members in the nature of annual fixtures and so the break in the continuity of annual visits did cause some surprise, but it was felt that as during the interval Messrs. Corbett and Chadwick had visited the Committee the Honourable Member for Commerce himself might not

perhaps have felt the necessity of keeping up the tradition. It might be also that the charms of Calcutta which is now apparently basking in the sunshine of official favours happens to draw you oftener there.

I shall also be departing from the usual tradition on such occasions and shall try not to inflict a long speech on you today. The reason for this is that all the subjects which we would like to discuss with you have been thoroughly threshed out both in the correspondence my Committee had with Government Departments and on the floor of the Indian Legislature. My Committee would, however, like to take advantage of your presence amongst us today to reiterate their views, though shortly, as the memory of Government is proverbially short and this with their indifference to some burning questions of the day may result in public issues being neglected and relegated to the limbo of oblivion.

In any discussion or correspondence that any commercial body would carry on at present in this City, the Excise Duty must loom very large. The extreme sensitiveness of not only the Bombay commercial and industrial public but also the lay public is not lessened but is rather accentuated by the times of utter slackness and depression through which we are passing, which have led on to the climax of the disaster of a general mill strike The attitude of supreme indifference if not opposition to the abolition of the Excise Duty maintained hitherto by the Government of India has justified even the strong criticisms made on them and I myself, speaking at the Second Quarterly Meeting of my Chamber three months back, referred to this impost as "morally indefensible" and would even repeat that statement, though this expression drew upon me the wrath of no less a person than the Finance Member of the Government of Bombay. My Committee, however cannot concede that statesmanship is so far at discount with the Government of India that the exchange of hard words should be deemed as the final end of this painful controversy. They would like to defer to the wishes of their sister body, the Millowners' Association with regard to the much discussed enquiry by the Tariff Board but they certainly agree with them emphatically that for any such enquiry the

Government should begin with a clean slate and abolish the Excise Duty. It cannot be said that the abolition of the Excise Duty will bring about the millennium, but it will certainly help to create a better understanding between the Government and the people and assure the commercial and industrial community of this Presidency that their interests for once have received consideration at the hands of Government. What is to be feared is that the atmosphere of hill-top exclusiveness has affected the vision and perspective of the Government of India who perhaps have not yet been able to visualise the effects their rejection of all appeals and propaganda regarding this question has on the body economic and social. As my Committee pointed out in their recent letter it was not a few millionaires who were affected by the adverse condition of the textile industry, but tens of thousands of workmen and thousands of shareholders, the majority of whom belong to the middle classes, are suffering to day in consequence. The representative of this Chamber on the Legislative Assembly gave an opportunity to Government, with the backing of practically all the elected members of the House, to get out of an unpleasant situation and to make a responsive gesture just when the country in general and the textile industry in particular demanded it. Government have, however, continued to retain their policy of inaction despite this vote of the Assembly and you will not blame Indians if they refuse to make the gesture of co-operation which being demanded by the Secretary of State and His Excellency Lord Reading so often, when Government Members are not prepared to co-operate with the people in their reasonable and, may I add, legitimate demands.

The Committee of this Chamber have often been receiving complaints from different quarters with regard to inequalities in Railway rates either as between different commodities or as between stations, inequalities which bear very harshly upon trade and industries in their present condition. The Committee think that all these complaints cannot be remedied till a Railway Rates Tribunal is established. It is now four years since the Acworth Committee made the recommendation for the establishment of the Rates Tribunal and as far as I know that recommendation met the approval of the whole of

the Indian commercial opinion and yet, unfortunately, whenever any interpellation is put in the Legislative Assembly with regard to this question the only reply vouchsafed is that the matter has still not advanced beyond the stage of correspondence between the Secretary of State for India and the Government of India. Even so recently as 27th June last, when Mr. Sim visited my Committee he could only say " I regret that I am still unable to make any definite announcement to your Chamber". We cannot understand what are the reasons for such inordinate delay in the solution of this question with which is bound up to no small extent the future of Indian trade and industries. My Committee hope that before the winter session of the Indian Legislature the Government will be in a position to make an announcement with regard to the appointment of the Rates Tribunal and also that the personnel of that Tribunal will be such as to inspire public confidence and if the Tribunal consists of three members as is expected, two of them will assuredly be Indians.

Practically of the same nature as the first two questions with which I have dealt with is the third viz. the recommendations of the Indian Mercantile Marine Committee. As my Committee have, time after time, pointed out the recommendations of Committees appointed even after the Mercantile Marine Committee have been given effect to by the Government but an impasse has arisen with regard to the recommendation of that Committee with the result that not even the primary proposal of the establishment of a training ship for training Indian boys in marine navigation has been carried out and the Government are still in the stage of appointing an officer to make detailed recommendations with regard to the same. Important suggestions like the reservation of the coasting trade, abolition of the deferred rebates system, training of Indian boys in navigation and recruitment of Indians as Deck or Executive Officers in the Royal Indian Marine, measures for helping shipbuilding, are thus all lying in abeyance. There is no necessity for my Committee to emphasise at this stage that indigenous shipping is one of the basic foundations of country's commercial and industrial growth and the very slow pace at which Government have chosen to

move in the matter lends itself, I may warn Government, to the natural construction that their inaction has been more due to vested interests than to genuine and bonafide reasons.

I should like to draw your attention to what would appear to be a local question at first sight, but which would really affect the whole of the travelling public of the Bombay Presidency viz. the question of a single railway terminus for Bombay in place of two as at present. My Committee in their letter to Mr. Lloyd Jones, the Special Officer appointed by the Railway Board in this connection, strongly protested against the suggestion which, in their opinion, would almost be a disaster to the travelling public. The movement of the people of this City is in the northerly direction a movement which is in the interests of sanitation and encouraged by the Government themselves and consequently it would be a great mistake to do away with the proposed Grant Road terminal. If the through trains of both the G. I. P. and the B. B. & C. I. Railways are required to be brought to one terminus only viz, Victoria Terminus, all this development which has taken place will suffer, besides causing much inconvenience and harassment to the travelling public. I do not propose to enter into details at this juncture but have thought it proper to bring the views of my Committee to your notice. My Committee do not know if Mr. Lloyd Jones has submitted his Report to your Department. If he has, we do hope that no action will be taken on this report without placing the recommendations of Mr. Lloyd Jones and the conclusions of Government before representative public opinion. The public of this City and of this Presidency are vitally interested in the question and it is at least due to them that a question of such magnitude and affecting the future of Bombay should not be rushed through without there being given an opportunity to submit their considered views to Government.

The smuggling of Sachharine into this country is not a question which may primarily come within the purview of your Department but as after all such smuggling is more or less an affair to be looked after by the Customs Department my Committee presume that it is partly a concern of your Department and partly that of the Finance Department. Notwithstanding the passing of the Land

Customs Act by the Indian Legislature the smuggling of Sachharine has not yet come to an end and so far as the information of my Committee goes this smuggling is of no small proportions. The duty on Sachharine being Rs. 20 per pound it should sell for at least at Rs. 25 to leave any profit. It is amazing, however, that instead of the price of Sachharine being Rs. 25 per pound it is as low as Rs. 8 per pound in the Bombay Bazar. You will also be interested in this question from the point of view of the sugar industry. One pound of Sachharine in point of sweetness equals 5 Cwts. or 560 pounds of sugar. Now sugar is selling at about Rs. 14 per Cwt., while Sachharine is selling at present as I just mentioned at only Rs. 8 per pound. It pays, therefore, second class hotels and cheap restaurants to use Sachharine in place of sugar even though Sachharine were selling at Rs. 30 or 40 per pound. As a matter of fact owing to the smuggling which is going on it is selling at only Rs. 8 per pound, while 5 Cwts, sugar will cost about Rs. 70. The suggestion which is made to my Committee by Sachharine merchants and which was conveyed in a letter addressed to the Finance Department in July last, a copy of which was sent to your Department, was that importations which are all of one pound size each should be stamped with the Government stamp at the time of importation by the Customs authorities. In addition to such stamping the stocks which are already held by merchants might be required to be stamped by the Collector of Customs within a certain time from the date of the notification. If this were done Sachharine merchants believe that the illicit traffic in the commodity will be put a stop to at once.

Of a similar, though of a more delicate nature is the complaint which is now very widely known and was recently conveyed to the Government of India by silk merchants in this City. It appears that large quantities of silks, matches, sugar and the like articles are transhipped from Bombay harbour to Kathiawar ports with a view to evade payment of Customs duty to the Government of India. My Committee are informed that the importers of these articles, though they have to pay ostensibly the same rate of Customs duty even in ports of Indian States to which the goods are transhipped, either get a rebate or some other concessions which accounts for such

gooods being landed at those ports rather than at Bombay. This scandal now has increased to enormous proportions and commodities landed at those ports are said to find their way up not only to Ahmedabad and Bombay but even as far as Calcutta to be sold at such places. The persistency with which these methods are followed shows that Government are not as active as they might well be and this inactivity or indifference does serious harm to legitimate trade and to honest merchants. My Committee hope that effective steps will be taken at once by the Government of India to put a stop to the nefarious practice which instead of abating appears to be growing.

Before concluding my remarks, I should just like to refer to the Insurance Bill introduced by the Government of India which we understand will be discussed at the next Delhi session. My Committee congratulate the Government upon the introduction of such a measure in the Legislature as it was long since due. They do not believe, however, that the measure is comprehensive and have suggested several changes and modifications in their detailed examination of the Bill which they have forwarded to the Government of Bombay from whom they received the reference. My Committee hope that when the Bill comes for actual discussion before the Legislature, Government will not make a fetish of their own Bill but will incorporate in it all the reasonable suggestions and recommendations which may have been made by Indian commercial bodies. My Committee are of opinion that the number of good Indian Insurance Companies, both Fire and Life, is now sufficiently large to take up the bulk of the Indian work of insurance in different lines and they have, therefore, suggested some restrictions on non-Indian insurance companies which, while they will not prevent such companies from coming to India, will encourage the formation of new companies in the country and will ensure a reasonable degree of preference for Indian companies and also secure a reasonable degree of safeguards to the Indian insuring public.

With these words, Sir, I again thank you for your visit this afternoon to the Committee of this Chamber.

Reply of Sir Charles Innes.

Sir Charles Innes in reply said that the Hon. Mr. Sethna had complained that his visits to Bombay were not as frequent as his visits to Calcutta. Sir Charles Innes seemed to remember that he had visited Bombay only last April and that during his visit to Bombay he had not received an invitation to meet the Committee of the Indian Merchants' Chamber and Bureau. Possibly one reason why he was more apt to go to Calcutta than to Bombay was that in Calcutta he was not asked either to listen to or to make set speeches. It was true that in his visits to Calcutta he almost always met the members of the Bengal Chamber, the Bengal Nationl Chamber and the Indian Mining Federation, but the meetings were almost always informal and no record was kept of them, and Sir Charles Innes' experience was that he derived more benefit from such informal meetings than from formal meetings with the Committee of a Chamber of Commerce at which he had to reply formally to a formal speech. Formal meetings were useful whenever a Government member desired to make any pronouncement, but the Commerce Member, when he was incubating any scheme, usually did not disclose his hand until he made an announcement in the Legislature, and he usually found it more advantageous to have informal meetings with the individual members of a Chamber of Commerce than to meet the Committee in a formal meeting. Bombay was different from Calcutta in this respect, as Mr. Sethna himself had admitted. Mr. Sethna had said that it was the usual tradition for the President of the Indian Merchants' Chamber to make a long speech on occasions of this kind. A long speech naturally meant a long speech from the Govt. Member in reply.

Sir Charles Innes then said that the first question referred to by the Hon. Mr. Sethna was the ancient and vexed question of the Cotton Excise duty. He did not suppose that the Committee expected him to say anything fresh upon the subject. Indeed, it would be impossible for him to do so. The Committee were no doubt well aware of the position of the Government in the matter. The Govt. were confronted with two pledges. The one was the pledge of Lord Hardinge that the Cotton Excise duty would be taken off as soon as

financial considerations permitted it. The other was the pledge that the Govt. of India's finances would be so ordered as to liquidate the provincial contributions as early as possible. When the Govt. of India found themselves saddled with two conflicting pledges of this kind, only one course was open to them and that was the course which they had taken. They had placed the matter fairly and squarely before the Legislative Assembly, and they had left the Assembly to decide which of the two pledges should be carried out, it being in the view of Government impossible that both pledges should be carried out at the last budget session. It was true that the Government had thrown their weight in favour of the remission of the provincial contribution and the Assembly had definitely decided that in disposing of the surplus which the Government of India had available for 1925-26, provincial contributions must be given precedence. That was admitted even by their own representative in the Assembly. Sir Purshottamdas had said that provincial contributions should be given precedence first, second and last. The Legislative Assembly arrived at that decision only in March last, and he must confess that it was rather a strong measure for the Millowners and for Bombay to expect six months later that they could come to the Government of India and say that whatever the decision in the Assembly last March was, they must now take off the Cotton Excise duty. Obviously it must be a very difficult thing for any Government to surrender a tax bringing in a revenue of something like two crores of rupees a year in the middle of the year before the prospects of the coming year had had time to declare themselves. The view that the Government had taken had been that the question could not properly be decided in September. Assuming that there was a surplus in the following March, again it would be for the Assembly to decide whether that surplus should be devoted to the removal of the excise or again to the reduction of the provincial contributions. The Assembly must have all the facts and all the issues put properly before them before they could come to a proper decision. That was the view that Government had taken. It was true that the Assembly had voted in September for the suspension of the cotton excise, but he did not believe that any member of the Indian Merchants' Chamber present in the room could honestly say

that the suspension of the Cotton Excise was a practicable proposition. The Hon. Mr. Sethna had said that the cotton excise was 'morally indefensible, If the cotton excise was morally indefensible, obviously it could not be taken off in September in order to be put on again in March. Reading between the lines of the Hon. Mr. Sethna's speech, Sir Charles Innes could not help feeling that the Indian Merchants' Chamber did not altogether agree with the attitude which the Millowners had taken in regard to the Tariff Board enquiry. At any rate, he was glad to have the opportunity of explaining once more exactly what the Government had intended when they made the offer of that enquiry. They had no *arriere penses*. Their intention was that the Tariff Board should proceed on the assumption that the excise duty would be taken off as soon as financial considerations permitted. That was a pledge and that pledge stood. Their idea was that the Tariff Board should leave the excise duty out of consideration and should then proceed to determine whether the industry was in need of protection, and if so to what extent. The reason why the Government of India had rather pressed the proposal was this. The members of the Committee had no doubt read the report of the Indian Coal Committee. That report was a perfectly impartial, judicious, and a most merciless exposition of the main factors of the coal problem. When it first appeared, it wat by no means a palatable report to the Indian Coal trade. In fact, when he (Sir Charles Innes) had visited Calcutta just after the report had appeared, he met with by no means a cordial reception from the Indian coal trade. But quite soon the Indian coal trade had come to realise the value of the report. It had stated in the clearest possible terms what was wrong with the coal trade, and it had pointed out the direction in which improvement lay. What the Government of India wanted was that the Tariff Board should perform precisely the same function for the cotton mill industry. It was true that the Commerce Dept. had made as careful an analysis as they could of the causes of the present depression in the mill industry, but the Government of India thought that an impartial enquiry by the Tariff Board into these causes would be of great value not only to themselves but also to the mill industry and the general public. However, the Millowners had refused the enquiry and there the matter rested. He noticed

that the Hon. Mr. Sethna had said that an atmosphere of hill-top exclusiveness had affected the vision of the Government. He was not going to give a lecture on hill-top atmospheres, but he did think that at any rate he could claim for the hill-top atmosphere that it led to clear thinking in regard to textile matters. At any rate he believed that the letters which the Government of India had written to the Millowners on the subject of the textile industry had brought out more clearly than the Millowners had ever attempted to do what was ultimately wrong with the industry. He did not think that there was the same clear thinking on the subject in Bombay. At any rate he was unable to altogether understand the attitude taken up by the Millowners. At one time they said that, provided the cotton excise duty was taken off, they wanted nothing else. They did not want any protection. That was an attitude which he thought was very admirable. He was only too pleased to find an industry in India which was able and willing to rely entirely upon itself. But he must confess that he could not square the protestations of the millowners on this behalf with their complaint that they were suffering from the dumping of Japanese goods and from unfair Japanese competition and must have protection against Japan. At the same time, he regretted very much that matters had come to the present impasse in Bombay. The Government of India would take off the excise duty as soon as financial considerations permitted them to do so, and he was quite sure that they would be delighted when that day came.

Turning to the Rates Tribunal, Sir Charles Innes said that he was afraid that he was not in a position to give them any more information than Mr. Sim had given them on 27th June last. They were no doubt aware that last March the whole question of the Rates Tribunal had been discussed with the Central Advisory Council. A provisional solution had been suggested to the C. A. C. but they were not satisfied with it, and it was on the advice of the C. A. C. itself that they had made that further reference to the Secretary of State of which Mr. Sethna had complained. As far as Sir Charles Innes was aware, no reply had yet been received to that reference, but he hoped that it would be possible for him to make a statement on the subject during the winter session of the Legislature.

He was in much the same position in regard to the report of the Indian Mercantile Marine Committee. But he might inform them that he had given a definite pledge to one or two members of the Assembly that he would give a Government day for the discussion of the main recommendations of the Indian Mercantile Marine Committee early in the Delhi session. He must ask the members of the Committee to wait for that debate in which Government would announce their conclusions upon the main points at issue. At the same time, he was unable to agree with the Hon. Mr. Sethna that matters had come to an impasse in regard to the recommendation of the Committee for the establishment of a training ship. Government had discussed that particular recommendation with the Commerce Dept. Advisory Committee. On the advice of that Committee, they had written home to try to get an expert from home to advise them in regard to a training ship. After a long delay they found that they were unable to get the sort of man they required. So eventually they had enlisted the assistance of Sir Atul Chatterjee, the High Commissioner for India. Sir Atul Chatterjee had fortunately been able to secure for them the services of the Principal of the 'Worcester' training ship. All arrangements had been made for this officer to come out in August last, but unluckily he had fallen ill and under doctor's orders he had been compelled to postpone his visit, but Sir Charles Innes hoped that he would arrive in Bombay early in December.

Sir Charles Innes then referred to the question of a single railway terminus for long distance traffic to Bombay. The Committee were no doubt aware of the previous history of that question. Originally it had been decided that the B. B. & C. I. Railway should have its long distance terminus at Grant Road and the land had actually been acquired for the terminus there. On further investigation, however, it was discovered that the scheme for a long distance terminal at Grant Road would cost (inclusive of the cost of the land) no less than 3½ crores of rupees, and the Railway Board had been considering whether cheaper arrangements could not be made. This was the genesis of the idea that all long distance passenger traffic on the B. B. & C. I. and G. I. P. Rys. should be

brought into the Victoria Terminus, which would be a very much cheaper plan. The Railway Board, however, were aware that there was an acute division of opinion upon this subject in Bombay and that was the reason why they had decided to have an independent investigation into the whole question by Mr. Lloyd Jones, a very well known railway officer in India. Mr. Lloyd Jones' report had not yet been received by the Government of India. Sir Charles Innes noted the request of the Chamber that before action was taken on that report, it should be published in order to give the public an opportunity of expressing their views upon it. He promised to consider this suggestion.

Sir Charles Innes, referring to the question of smuggling saccharine, said that the Hon. Mr. Sethna was right in saying that the question was primarily one for the Central Board of Revenue and the Finance Dept. At the same time, the smuggling prejudiced the interests of legitimate traders in India and to that extent the question of smuggling naturally was of close interest to the Commerce Dept. This question of saccharine smuggling had been examined by the Commerce Dept, and all that Sir Charles Innes could say at the moment was that the matter was under active consideration.

Similarly in regard to the trade through the *Kathiawar ports*, Sir Charles Innes was aware that complaints were increasing in Bombay and also in Karachi as to the volume of the trade which was being diverted to Kathiawar ports. There was no doubt that the question was now assuming very serious proportions and Sir Charles Innes was aware that the C.B.R. had taken it up for serious examination. He himself had on more than one occasion brought it to the notice of the C.B.R.

Sir Charles Innes closed by referring to the Hon. Mr. Sethna's remarks on the Insurance Bill. Mr. Sethna would probably remember that the Bill was circulated for opinion under the cover of a letter from the Govt. of India. In that letter the Govt. of India had made it plain that the conclusion embodied in the Bill were merely provisional conclusions. Mr. Sethna might rest assured that the views expressed by his Chamber would be carefully considered

by the Government of India. There was no reason to suppose that the Govt. of India would make what Mr. Sethna had called a fetish of their own Bill.

(I) GENERAL.

APPENDIX 90.

EMPLOYERS' DELEGATE TO THE 7TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

GOVERNMENT OF INDIA.

Department of Industries & Labour.

Dated, Delhi the 17th December 1924.

Press Communique.

The Government of India have been informed that the seventh Session of the International Labour Conference will open at Geneva on the 19th May 1925. The formal Agenda of the Conference consists of four items :—

(1) Workmen's Compensation ;

(2) Equality of Treatment for national and foreign workers as regards Workmen's Compensation for accidents (final vote on the Draft Convention and Recommendation adopted by a preliminary vote of the Conference at its sixth Session).

(3) Weekly suspension of work for twenty-four hour in glass-manufacturing processes where tank furances are used (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its Sixth Session).

(4) Night work in bakeries (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its Sixth Session).

The election of the Governing Body will also take place at this Conference.

2. Each State should be represented by four delegates of whom two will be Government representatives, one a representative of the employers, and one a representative of labour. The right of nominating all the delegates rests with the Government of India, but in selecting the delegates for employers and labour, the Government of India will attach due importance to recommendations made by organized representative associations of employers and employed.

3. All suggestions as to the nomination of non-government delegates should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date and in any case, not later than 15th February 1925, in order to enable Government to make the selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the delegates. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour, Delhi) will be granted by Government to defray the expenses of delegates finally nominated.

A. G. CLOW,

Deputy Secretary to the Govt. of India.

No. T 32 8th January, 1925.

From Chamber to the Government of India Department of Industries and Labour.

With reference to the communique which recently appeared in the Press inviting suggestions for nomination of delegates to the forthcoming Seventh session of the International Labour Conference I am directed by my Committee to suggest the name of the Honourable Mr. Phiroze C Sethna, O. B. E., as delegate of Employers.

APPENDIX 91.

EMPLOYERS' DELEGATE TO THE 8TH AND 9TH SESSIONS OF THE INTERNATIONAL LABOUR CONFERENCE.

No. 700/1725 M. 23rd October 1925.

From the Government of Bombay, Marine Department to Chamber.

I am directed by the Governor-in-Council to forward for information and such action as your Chamber may consider necessary, a copy of a Press Communique, dated the 9th October 1925, issued by the Government of India in the Department of Industries and Labour.

GOVERNMENT OF INDIA.

Department of Industries and Labour.

Dated Simla, the 9th October 1925.

Press Communique.

The Government of India have been informed that the Eighth and Ninth Sessions of the International Labour Conference will be held at Geneva in 1926. It is intended that the Ninth Session should follow the Eighth without any interval and the two sessions will probably be held in May or June; the exact date will be notified later. The formal Agenda of the two Sessions is as follows:—

Eighth Session.—Simplification of the inspection of emigrants on board ship.

Ninth Session.—I. International codification of rules relating to seamen's articles of agreement.

II. General principles for the inspection of the conditions of work of seamen.

2. The representation of each state should include four delegates of whom two will be government representatives, one a representative of the employers, and one a representative of labour. The right of nominating all the delegates rests with the Government of India, but in selecting the delegates for employers and labour the Government of India will attach due importance to recommendations made by organised representative associations of employers and employed. In view of the nature of the agenda, special weight will be given on this occasion to nominations made by associations of shipowners and seamen.

3. All suggestions as to the nomination of non-Government delegates should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date, and in any case, not later than 15th January 1926, in order to enable Government to make the selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the delegates. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of delegates finally nominated.

A. G. CLOW.

Deputy, Secretary to the Government of India.

No. T 1779 10th December 1925.

From Chamber to the Government of Bombay Marine Department.

With reference to your letter No. 700/1725 dated 23rd October 1925, I am directed by my Committee to inform you that they nominate Mr. Narottam Morarji Goculdas, Chairman of the Scindia Steam Navigation Co, Ltd., as a delegate of the employers to the 8th and 9th sessions of the International Labour Conference to be held at Geneva in 1926.

APPENDIX 92.

DRAFT CONVENTIONS AND RECOMMENDATIONS OF THE SIXTH INTERNATIONAL LABOUR CONFERENCE.

No. 5131-11823 D., 28th November 1924.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 5131, dated the 20th November 1924, and accompaniment regarding the draft conventions and recommendations adopted by the Sixth International Labour Conference and to request that you will be so good as to favour Government with the opinion of your Chamber on the draft conventions and recommendations not later than the 15th January 1925.

Labour Conference.

The Sixth International.

GOVERNMENT OF BOMBAY.

General Department.

Resolution No. 5131.

Bombay Castle, 20th November 1924.

Letter from the Government of India, Department of Industries and Labour, no. L--1248, dated the 23rd October 1924 :—

"I am directed to address you regarding the conclusions reached by the Sixth International Labour Conference, which met at Geneva in June 1924.

"2. The formal items on the agenda were four in number, viz.

I. Development of facilities for the utilization of workers' leisure.

II. Equality of treatment for national and foreign workers as regards Workmen's Compensation for accidents.

III. Weekly suspension of work for twenty-four hours in glass manufacturing processes where tank furnaces are used.

IV. Night work in bakeries.

"3. On considering the first item, the Conference formally adopted the Recommendation appended to this letter (Appendix I), and, in accordance with the provisions of Article 405 of the Treaty of Versailles, I am to forward it, for the consideration of the local Government. While it contains nothing to which objection can be taken on grounds of principle, the Government of India doubt if it will assist in any appreciable degree in furthering the ends which the Conference had in view. But local Governments may be able to extract some guidance from it in dealing with various questions of social administration as they arise.

"4. In dealing with the other three items, the Conference followed a new method, by which Draft Conventions and a Recommendation were provisionally approved, and postponed for a second reading to the next Conference, when the final votes will be taken. This procedure renders it possible for the various countries to give fuller consideration to any proposals that may be made and to ensure that their delegates will have full instructions before the final votes are recorded.

"5. On the subject of equality of treatment for national and foreign workers as regards Workmen's Compensation, the Conference adopted provisionally both a Draft Convention and a Recommendation (Appendices II and III). In the discussion of the Draft Convention the main controversy centred round the question whether or not it should be obligatory to extend equality of treatment to nationals of those States which have no legislation for Workmen's Compensation. The Indian Workmen's Compensation Act makes no discrimination between nationals and aliens in respect of compensation, and there appears to be no objection to the acceptance of the general principle

by the Indian Government. The first part of the Recommendation is supplementary to the first paragraph of Article 1 of the Convention and has little application to Indian conditions. Owing to the geographical isolation of India, there should be few cases in which payments of compensation have to be made under the Indian Act to persons who are not resident in the country, and it appears to be unlikely that special arrangements will be necessary for such cases. The second part of the Recommendation does not apply to India. It would appear, therefore, that with a possible modification at the end of Article 1 of the Convention which would make it clear that special arrangements need only be made where required, the Convention and the Recommendation might be approved by the representatives of the Indian Government.

"6. On the question of suspension of the work in glass factories, a Draft Convention (Appendix IV) was provisionally adopted. The subject proved to be a most contentious one, and it is not improbable that the Convention now suggested will fail to receive a sufficient majority on the final vote. A considerable section of the Committee which framed the Convention were in favour of a Recommendation, and the Draft Convention finally put forward, which was in the nature of a compromise, did not appear to give satisfaction to any of the parties concerned. The main difficulty arose from the fact that the glass industry is passing through a period of transition. Automatic machines have been perfected and introduced in a large number of factories, while at the same time the majority of factories still employ the older process. The Government of India do not know if tank furnaces are used in Indian glass factories; this is a point on which they would be glad to have information. I am also to request the views of the local Government on the possibility of the ratification of the Convention by India. Such a step would involve the application of the terms of the Convention, not merely to any glass factories now using tank furnaces but to factories which may adopt this process in future.

"7. The question of night work in bakeries proved to be equally controversial. The Committee which considered the subject was acutely divided and after a number of amendments moved

in the full Conference, had been rejected, several Government representatives made declarations reserving the right of their respective Governments to reconsider the position before the final vote is taken. The main subject of controversy was the application of the Convention to bakers who do not employ any operatives and carry on the work themselves. The Convention (Appendix V) as it at present stands includes such persons and an amendment proposed by the British Government representatives which would have altered the position was rejected by a majority of two votes. The Convention contains a special provision designed to meet the case of tropical countries. I am to request that the question of the general application of the Convention in India may be examined. As it is at present drafted, it apparently covers a large number of small bakers, and possibly a number of confectioners. The Government of India have little information regarding the conditions of work in such occupations, and the extent to which the hours of work at present are in conflict with the terms of the Convention. This is a point on which I am to request that information may be furnished. In examining the convention special attention should be given to the first part of Article 5, which embodies a principle of general application. In order to make ratification of a Convention possible, it is not sufficient that the prevailing conditions should involve no infringement of provisions of the Convention: infringements must be prevented by legal enactments and these enactments must be effectively enforced.

"8. To sum up, I am to request that the three Draft Conventions and the Recommendation contained in Appendices II to V may be examined with special reference to local conditions, and that the Government of India may kindly be furnished with information regarding the facts and advice regarding the attitude which their delegates should adopt at the ensuing Conference on these proposals. While the vote of a delegate in favour of a Convention does not legally commit his Government to ratify the Convention, it creates a certain moral obligation, and it is undesirable that the Indian Government's delegates should give their support to a Convention which India will subsequently be unable to ratify. It is possible, moreover, that

further amendments will be proposed on these subjects at the next Conference, and it is advisable that the delegates should be in possession of as full information as possible in order to enable them to take steps to safeguard the Indian interests concerned. I am to request that a reply may be sent to this letter before 1st March 1925."

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Remembrancer of Legal Affairs, the Commissioner in Sind, the Commissioners of Divisions, the Collector of Bombay, the Director, Labour Office, the Municipal Commissioner for the City of Bombay, the Chairman, Bombay Port Trust, the Political Resident, Aden, the Agents, Bombay Baroda and Central India and Great Indian Peninsula Railways, the Millowners' Associations, Bombay, and Ahmedabad, the Indian Merchants' Chamber, Bombay, the Chambers of Commerce, Bombay and Karachi, the European Textile Association, Bombay, the Social Service League, the Trades Union Congress, the Kamgar Hitwardhak Sabha, the Bombay Engineering Employers' Association and they should be requested to favour Government with their views on the draft conventions and recommendations adopted by the Sixth International Labour Conference before the 15th January 1925 at the latest. The Commissioner in Sind and the Political Resident, Aden, should consult the Karachi and Aden Port Trusts respectively before submitting their views. The Collector of Bombay should consult the Managers of important glass works in the Presidency.

By order of the Governor in Council,

H. D. BASKERVILLE,

Deputy Secretary to Government.

APPENDIX I.

Recommendation Concerning the development of facilties for the utilisation of worker' spare time.

The General Conference of the International Labour Organisation of the League of Nations, Having been convened at Geneva by the

Governing Body of the International Labour Office, and having met in its Sixth Session on 16 June 1924, and

Having decided upon the adoption of certain proposals with regard to the development of facilities for the utilisation of workers' leisure, the first item in the agenda of the Session, and

Having determined that these proposals should take the form of a Recommendation, adopts, this fifth day of July of the year one thousand nine hundred and twenty four, the following Recommedation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Whereas in adopting at its First Session, held at Washington, a Convention on hours of work, the General Conference of the International Labour Organisation had as one of its principal aims to secure for workers, beyond the necessary hours for sleep, and adequate period during which such workers could do as they please, or, in other words an adequate period of spare time; and

Whereas during such spare time workers have the opportunity of developing freely, according to their individual tastes, their physical intellectual and moral powers, and such development is of great value from the point of view of the progress of civilisation; and

Whereas a well-directed use of this spare time by affording to the worker the means for pursuing more varied interests, and by securing relaxation from the strain placed upon him by his ordinary work, may even increase the productive capacity of the worker and increase his output, and may thus help to obtain a maximum of efficiency from the eight-hour day; and

Whereas while giving full weight to the customs prevalent in the different countries and to local circumstances, it may nevertheless be useful to lay down the principles and methods which at the present time seem generally best adopted to secure the best use of periods of spare time, and it may also be instructive to make known for the benefit of all countries what has been done in this direction; and

Whereas the value of this information is particularly great at the moment when the ratification of the Convention on hours of work is being considered by the Members of the International Labour Organisation;

The General Conference makes the recommendations hereinafter appearing;

I.—*Preservation of Spare Time.*

Whereas it is agreed that in countries where limitations have been placed on hours of work by law, by collective agreement or otherwise, if all the benefits which may be expected from such measures are to be secured both for the wage-earners and for the community, steps must be taken to ensure that the workers shall have the undiminished enjoyment of the hours of spare time so secured to them as aforesaid; and

Whereas it is important that, on the one hand, the workers should fully appreciate the value of the periods of spare time which have been secured to them and should do their utmost, in all circumstances, to prevent this spare time from being encroached upon, and, on the other hand, that employers should always aim at establishing wages corresponding sufficiently with the needs of the workers to make it unnecessary for them to have recourse during their periods of spare time to additional hours of paid work; and

Whereas prohibitions against the continuance of paid work in their own occupation, for the same or another employer, in excess of the legal working day, are recognised as being difficult to enforce, and may even, at times, seem to infringe the workers' right of using their periods of spare time as they choose, the Conference nevertheless considers that attention should be drawn to the steps which have been taken in this direction in a number of countries;

The Conference recomends that Governments should encourage and facilitate the conclusion of collective agreements which will ensure a normal standard of living to workers in exchange for the legal hours of work, and which will determine, by voluntary agreement between employers and workers, the measures to be taken to prevent workers from having recourse to additional paid work.

And whereas it is agreed that every facility should be given to the workers to enable them to make the best use of their periods of spare time so secured to them as aforesaid, the Conference recommends;

(*a*) That each Member, whilst having due regard to the requirments of different industries, local customs, and the varying capacities and habits of the different kinds of workers, should consider the means of so arranging the working day as to make the periods of spare time as continuous as possible;

(*b*) That by means of a well-conceived transport system and by affording special facilities in regard to fares and time-tables, workers should be enabled to reduce to the minimum the time spent in travelling between their homes and their work, and that employers' and workers' organisations should be extensively consulted by public transport authorities or private transport undertaking as to the best means of securing such a system.

II.—*Spare Time and Social Hygiene*

Whereas the utilisation of the workers' periods of spare time cannot be separated from the general measures adopted by the community for promoting the health and welfare of all classes of society, the Conference, without attempting to examine in detail each of the great welfare problems, the solution of which would contribute to improving the worker's status, recommends to the Members;

(*a*) The encouragement of individual hygiene by the provision of public baths, swimming pools, etc.;—

(*b*) Legislative or private action against the misuse of alcohol, against tuberculosis, venereal disease and gambling.

III.—*Housing Policy.*

Whereas it is of advantage to the workers' and to the whole community to encourage everything tending to the harmonious development of the worker's family life; and

Whereas the most effective means of protecting the workers from the aforesaid dangers is to place within their reach a proper home,

The Conference recommends the increase in number, if necessary in co-operation with the national or local authorities concerned, of healthy dwellings at low rentals in garden cities or urban communities, under proper conditions of health and comfort.

IV.—*Institution for the Utilisation of Spare Time.*

Without attempting to differentiate between the innumerable institutions which afford to the workers opportunities for the free exercise of their personal tastes, the development of which is dependent on the manners and customs of each country or district, the Conference nevertheless draws the attention of the Members to the necessity of avoiding misplaced activities resulting from the establishment of institutions not called for by some well-defined need. The Conference desires to emphasize the importance of taking into account in the establishment and development of these institutions, the desires, the tastes and the special requirements of the workers for whose use they are designed ;

At the same time, among the institutions which may both assist full and harmonious development of the individual and of the family and contribute to the general progress of the community, the Conference recommends those schemes which have for their object :

(*a*) the improvement of the workers' domestic economy and family life (gardens, allotments, poultry keeping, etc.) which combine the benefits of recreation with the feeling that some addition, however slight, is being made to the family resources .

(*b*) the development of the physical health and strength of the workers by means of games and sports which enable young workers who are working under the highly specialised conditions prevalent in modern industry to give free play to their energies in a manner which encourages initiative and the spirit of emulation ,

(*c*) the extention of technical, domestic and general education (libraries, reading-rooms, lectures, technical and general courses, etc.) which meets one of the worker's most keenly felt needs and affords the best means of progress to industrial communities ,

The Conference further recommends that Members should encourage these forms of activity by the grant of subventions to organisations concerned with the moral, intellectual and physical development of the workers.

V.—*Free Use of Institutions and Co-ordination of Local Action.*

Whereas for many years past the workers in the great industrial countries have always sought to ensure that they may live their lives outside the factory or workshop in complete freedom and independence, and they particularly resent any outside interference in their private affairs, and this feeling is so strong as to provoke opposition to any attempts to deal, either nationally or internationally, with the question of the use of spare time for fear that it may possibly restrain their liberty, and

Whereas the Conference, while expressing appreciation of the motives which have led to the creation of institutions for the encouragement of the wise use of the spare time of the workers, suggest that Members should draw the attention of the promoters of such institutions to the necessity of safeguarding the individual freedom of the workers against any system or scheme which has any tendency towards compelling the workers directly or indirectly to use any particular institution; and

Whereas the most practical and successful institutions are those which have been started and developed by the beneficiaries themselves, the Conference, while recognising that in many cases where public authorities or employers lend financial or other assistance for the encouragement of allotments, games or educational institutions, and consequently have a legitimate claim to take part in their management, recommends that every care should be taken to avoid any encroachment on the liberty of those for whose use such institutions are intended.

While not contemplating any systematic organisation of spare time occupations, but having in mind a number of successful efforts made to assist them, the Conference further recommends that each Member should consider the possibility of promoting the formation

of district or local committees, composed of representatives of the public authorities, of employers' and workers' organisations, and of co-operative associations, for co-ordinating and harmonising the activities of the various institutions providing means of recreation.

The Conference further recommends to the Members that an active and effective propaganda should be undertaken in each country for the purpose of educating opinion in favour of the proper use of the spare time of the workers.

APPENDIX II.

Proposed Draft Convention concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

Article 1.

Each Member of the International Labour Organisation which ratifies this Convention undertakes to grant to workers who are nationals of any other Member which shall have ratified the Convention, and who suffer personal injury by an industrial accident happening in its territory, or to the representatives of such workers, the same treatment in respect of workmen's compensation as it grants to its own nationals.

This equality of treatment shall be guaranteed to foreign workers and their representatives without any condition as to residence : with regard to the payments which a Member would have to make outside its territory in the application of this principle, special arrangements shall be made between the Members concerned regarding the measures to be adopted.

Article 2.

Special agreements may be made between the Members concerned to provide that compensation for industrial accidents happening to workers whilst temporarily or intermittently employed in the territory of one Member on behalf of an undertaking situated in the territory

of another Member shall be governed by the laws and regulations of the second Member.

Article 3.

The Members who ratify this Convention and who do not already possess a system (whether by insurance or otherwise) of workmen's compensation for accidents agree to institute such a system within a period of three years from the date of ratification.

Article 4.

The Members who ratify this Convention further undertake to afford each other mutual assistance with a view to facilitating the application of the Convention and the execution of their respective laws and regulations on workmen's compensation, and to inform the International Labour Office, which shall acquaint the other Members concerned, of any modifications in the laws and regulations in force on workmen's compensation.

APPENDIX III.

Proposed Recommendation concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

I

In order to facilitate the application of the Draft Convention concerning equality of treatment for national and foreign workers as regards workmen's compensation for accidents, the Conference recommends that:

(*a*) When a person to whom compensation is due under the laws and regulations of one Member resides in the territory of another Member, the necessary measures be taken to facilitate the payment of such compensation and to ensure the observance of the conditions governing such payment laid down by the said laws and regulations;

(*b*) In case of dispute concerning the non-payment, cessation payment or reduction of the compensation due to a person residing elsewhere than in the territory of the Member where his claim

to compensation originated, facilities be afforded for taking proceedings in the competent courts of law in this country without requiring the attendance of the person concerned;

(c) Any advantage in respect of exemption from duties and taxes, free issue of official documents or other privileges granted by the law of each Member for any purposes connected with workmen's compensation be extended under the same conditions to the subjects of the other Members who shall have ratified the Convention.

II.

The Conference recommends that, where in any country there exists no system (whether by insurance of otherwise) of workmen's compensation for accidents, the Government shall, pending the institution of such a system, afford facilities to alien workers to benefit by the legislation on workmen's compensation in their own countries.

APPENDIX IV.

Proposed Draft Convention concerning the Weekly Suspension of Work for Twenty-four Hours in Glass Manufacturing Processes where Tank Furnaces are used.

Article 1.

Work shall be suspended for twenty-four consecutive hours per week in glass-manufacturing processes where tank furnaces are used subject to the conditions and exceptions laid down in the following Articles.

Article 2.

Work shall in principle be suspended on Sunday or any other day already established by the legislation, the traditions or customs of the country or district.

Article 3.

Exceptions to the provisions of the foregoing Articles may be authorised by each Member for the following work:

(1) Work which must necessarily be carried on continuously for technical or economic reasons;

(2) Preparatory, complementary, or repair work which must be carried out during the absence of the staff in order to secure the normal conduct of the undertaking on working days.

Article 4

A list of the classes of work referred to in Article 3 shall be drawn up by the competent authority of each Member after consultation with the responsible associations of employers and workers, wherever such exist and shall be communicated to the International Labour Office.

This list shall be accompanied by a statement of the ground on which each class of work is included.

Article 5.

If a revision of the list referred to in Article 4 shall have been necessitated by subsquent modifications in technical processes or the organisation of work in the glass industry, the Member concerned shall in the annual report which it submits in accordance with Article 408 of the Treaty of Versailles and the corresponding Articles of the other Treaties of Peace, inform the International Labour Office of the changes made in this list, and state the reasons for which they have been made.

Article 6.

Workers employed on work authorised during the general rest period shall be granted individually or in shifts a weekly rest of at least twenty-four consecutive hours, in conformity with the provisions of the Convention of 1921 concerning the weekly rest in industrial undertakings.

Article 7.

Temporary exceptions to the provisions of Articles 1 and 2 may be allowed in case of accidents, actual or threatened, or in

case of urgent work to be done to machinery or plant, or in case of *force majeure*, but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

The employer shall inform the competent authorities in all cases in which he shall have made use of the temporary exceptions provided for above.

APPENDIX V.

Proposed Draft Convention on Night Work in Bakeries.

Article 1.

Subject to the exceptions hereinafter provided, the making of bread, pastry or other flour confectionery during the night is forbidden.

This prohibition applies to the work of all persons, including proprietors as well as workers, engaged in the making of such product but it is does not apply to work which is done by members of the same family for their own consumption.

This Convention has no application to the wholesale manufacture of biscuits.

Article 2.

For the purpose of this Convention, the term night signifies a period of at least seven consecutive hours. The beginning and end of this period shall be fixed by the competent authority in each country after consultation with the organisations of employers and workers concerned, and the period shall include the interval between eleven o'clock in the evening and five o'clock in the morning; when it is required by the climate or season, the interval between ten o'clock in the evening and four o'clock in the morning may be substituted for the interval between eleven o'clock in the evening and five o'clock in the morning.

Article 3.

After consultation with the employers' and the workers' organisations concerned the competent authority in such country may make regulations to determine :—

(*a*) The permanent exceptions necessary for the execution of preparatory or complementary work as far as it must necessarily be carried on outside the normal hours of work, provided that no more than the strictly necessary number of workers and no young persons under the age of eighteen shall be employed in such work.

(*b*) The permanent exceptions necessary for requirements arising from the particular circumstances of the baking industry in tropical countries.

(*c*) The permanent exceptions necessary for the arrangement of the weekly rest.

(*d*) The temporary exceptions necessary to enable an undertaking to deal with unusual pressure of work or national necessities.

Article 4.

Exceptions may be made to the provisions of Article I in case of accident, actual or threatened, or in case of urgent work to be done to machinery or plant, or in case of force majeure, but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

Article 5.

Each Member which ratifies this Convention shall take appropriate measures to ensure that the prohibition prescribed in Article 1 is effectively enforced, and shall enable the employers, the workers, and their respective organisations to co-operate in such measures in conformity with the Recommendation adopted by the International Labour Conference at its Fifth Session (1923).*

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*See Appendix to Department of Industries and Labour letter No. L.-1166 of 17th March 1924 for the text of this Recommendation; the reference here is particularly to paragraphs 19 and 20 of the Recommendation.

Article 6.

The provisions of this Convention shall not take effect until 1st January, 1927.

No. T. 148 5th February, 1925.

From Chamber to the Government of Bombay General Department.

With reference to your letter No. 5131-11823-D, dated the 28th November 1924, with regard to the draft conventions and recommendations adopted by the Sixth International Labour Conference, I am directed by my Committee to send their views hereby :—

1. My Committee see no objection to the recommendation regarding the development of facilities for the utilisation of workers' leisure.

My Commietee are in favour of bringing about equality of treatment for national and foreign workers as regards workmen's compensation for accidents but are of opinion that the Government should take care that other nations do likewise.

3. My Committee approve of the recommendation regarding weekly suspention of work for 24 hours in glass manufacturing processes where tank furnaces are used.

4. With regard to the recommendation regarding night work i n bakeries, My Committee have no views to offer.

APPNDIX 93.

FODDER STORAGE SCHEME.

No- 9834-A 6th September 1924.

From the Government of Bombay Revenue Department to Chamber.

I am directed by the Government of Bombay to forward a copy of Press Note No, P. 123 dated 6th August 1924 on the question of

Fodder Reserves against famine and to request that Government may be favoured with the opinion of your Chamber on the scheme detailed in the note.

Fodder. Storage of—against times of famine.

GOVERNMENT OF BOMBAY.

Revenue Department.

Resolution No. 9834.

Bombay Castle, 15th August 1924.

Press Note No. P.—123 dated 6th August 1924 :—

Among the problems with which Government are faced is the one of providing storage for cattle in times of fodder scarcity and famine. This question has received very careful attention in the past, both in the way of establishing fodder depots with schemes of distribution and in the carrying out of experiments in the use of new foods such as cactus. It is now thought, however, that the time has come when the existing arrangements should be further developed and to this end Government are now proposing their considerable enlargement.

As is well known, in times of scarcity the agriculturist rapidly rids himself of many of the superfluous cattle to be seen in every village either by sending them to be grazed in more fortunate areas or by selling them off, but he must retain the more valuable stock, the minimum number of animals necessary for his agricultural and domestic purposes. These animals must be kept alive and this can only be done by the creation of fodder reserves with the necessary machinery of distribution.

The present scheme of fodder reserves against scarcity or famine is as follows :—

To meet the needs of the Northern Division and Kathiawar jungle grass is stored at

(i) Nawapur depot on the Tapti Valley Railway—2,75 lakhs of pounds of grass ;

(*ii*) Palghar, Kelva Road, Dohad and Godhra depots—3,00 lakhs of pounds of grass ;

And in addition birs are let out in various parts of the Northern Division on condition that in famine years grass is supplied by the contractors at fixed prices.

For the use of the Deccan and Southern Maratha Country kadbi—jowar fodder—is to be stored at

(*i*) Karajgi (Dharwar District)—1, 35 lakhs of pounds.

(*ii*) Kopargaon (Ahmednagar District)—5 lakhs of pounds.

These arrangements have not been found adequate in the case of the Deccan and the Southern Maratha Country and therefore in times of famine, the districts of the Eastern Deccan, which are very susceptible to fodder scarcity, have to draw upon the Nawapur depot. Apart from the long haulage involved this has a double disadvantage ; it reduces the quantity of grass available for the Gujarat districts and Kathiwar and only provides the kadbi eating Deccan cattle with a strange and unpalatable food. It is remarkable how Indian cattle will refuse food to which they are unaccustomed even when almost starving. The Gujarat and Kathiawar cattle are however accustomed to grass fodder, and in consequence it is now proposed to to continue the existing arrangements in the Northern Division and to concentrate for the present upon the expansion of the kadbi storage scheme in the Deccan and the Southern Maratha Country.

Put briefly the proposed scheme is to provide storage depot under the direct control of the district officers in selected taluka head-quarters in the tract most likely to be affected by famine, and to keep these depots stocked with kadbi by means of contractors, who will buy kadbi in normal years and maintain in store a prescribed quantity to be delivered to Government at a fixed price in times of scarcity. To avoid depreciation of the stored kadbi the contracts will be made to provide for the sale of one-third of the stock every year after the first three years as, although properly stocked kadbi will keep in good condition for four years at least, it is necessary to arrange for the complete renewal of the stock every three or four years. Then in times of scarcity there will be in existence easily accessible stores of fodder, which can be utilised to keep alive and in good condition, the irredu-

cible minimum number of cattle indispensable for the agriculturist's domestic and agricultural requirements.

When the depots are established in the heart of the kadbi growing localities, storage and transport problem will be easy to solve and the kadbi will be stored in its natural state, the stacks being covered in with black soil, thus doing away with the necessity for large godowns. Where, however, long haulage is involved, it becomes important to reduce the kadbi to its lowest bulk before transportation commences and to this end shredding and baling plants will need to be set up. One has been established at Karajgi in the Dharwar District and next season it will be possible to gather, from the results of its working, data wich will give definite information as to the cost, etc., of the shredding and baling operations.

Difficulties of detail will no doubt arise, kadbi commands different prices in the various districts, communication facilities are not the same and it may be hard to arrange the terms of the contracts to be made with the agents who undertake to supply the fodder. These difficulties however should not be unsurmountable and Government will be glad to consider any suggestion which may be made by persons who are likely to be able to give practical assistance.

RESOLUTION.—Copies of the Press Note should be forwarded to the Collectors in the Deccan and the Karnatak with a request that the opinions of the District Local Boards on the points raised in the Press Note may be obtained and furnished to Government. The Director of Agriculture should also be requested to get the opinions of the Agricultural Associations and submit them to Government.

2. Copies of the Press Note should also be forwarded to the Bombay Presidency Famine Relief Fund, the Indian Merchants' Chamber and Sir Purshotamdas Thakurdas for favour of opinion on the points raised therein.

By order of the Government of Bombay

H. K. KIRPALANI,

Deputy Secretary to Government.

No. T. 217, 16th February 1925.

From Chamber to the Government of Bombay, Revenue Department.

I am directed to send hereby views of the Committee of this Chamber on the question of storage of fodder against famines, in reply to your letter No. 9834-A, dated the 6th September 1924.

My Committee approve of the scheme of the storage of kadbi given in your letter. They agree that cattle in the Deccan and Southern Mahratta country will not take under any circumstances to grass and if they are obliged to do so in famine times it will be attended with disastrous consequences. They cannot however agree with the proposal that contracts should be made "to provide for the sale of one-third of the stock every year after the first three years", as this will mean that a large proportion of Kadbi will have to remain stored for five years and six years. They therefore suggest that after the end of the first year one-third of the stock should be sold every year and the same quantity should be renewed every year. This will ensure kadbi remaining fresh. In the opinion of my Committee a similar scheme should be applied to the storage of grass to meet the needs of the Northern Division and Kathiawar if the kadbi scheme proves successful as an experiment. My Committee regret the delay which is caused in sending their views.

APPENDIX 94.

IMPERIAL BANK OF INDIA.

(1). Appointment of Advisory Committee in London.

(2). Indianisation of the Bank's Service.

T. 212, 16th Feruary 1925.

Telegram from Chamber, to the Government of India Finance Department.

Committee Indian Merchants' Chamber will be obliged if you kindly inform them if appointment of Advisory Committee in

London is according to Charter Imperial Bank, reasons for such an appointment and authority which appointed this Committee, Inchambu".

No. 952-F., February 1925.

From the Government of India, Finance Department to Chamber.

I am directed to acknowledge the receipt of your telegram of the 16th February last, regarding the appointment of an Advisory Committee in London by the Imperial Bank of India, and to state in reply that your enquiry should rather have been addressed to the Bank than to the Government of India. It does not appear to the Government of India that the appointment of Advisory Committees by the Imperial Bank contravenes any of the provision of the Imperial Bank of India Act. They understand that the Advisory Committee in London has been appointed by the Central Board in order that the London Manager may have the benefit of expert advice in his conduct of the London business of the Bank.

No. T. 311 9th March 1925.

From Chamber to the Managing Governor, the Imperial Bank of India Ltd.

I am directed by the Committee of this Chamber to request you to kindly inform them of reasons for the appointment of the Advisory Committee to the Imperial Bank of India in London, as also of the exact functions of this Committee and remuneration paid to its members.

12th March 1925.

From the Managing Governor, Imperial Bank of India, Ltd., to Chamber.

I am in receipt of your letter No. T-311 of 9th instant asking for the reasons for the appointment of Advisory Committee to the

Imperial Bank of India in London, also of the exact functions of this Committee and remuneration paid to its members.

In reply I have to say that the information asked for is confidential, and as I am advised that it would be a breach of duty on the part of the Managing Governors to comply with your request, I regret being unable to do so.

No, T-257 dated the 26th February 1923.

From Chamber to the Managing Governor, the Imperial Bank of India.

The attention of the Committee of this Chamber is drawn to an advertisement which is said to have appeared in the latest issue of the Institute of Bankers, and is reproduced in a letter to the Bombay Chronicle from a correspondent to the following effect:—

> "The Imperial Bank of India requires candidates for employment on its Eastern Staff. Applicants must be between the ages of 21 and 25, must be of good birth and appearance and have had a public School or Secondary School education; they must also have had at least three years banking experience in a well-known British Bank, etc."

My Committee will be much obliged if you will kindly let them know under what circumstances this advertisement has appeared in the Journal above referred to. The Imperial Bank cannot be unaware of the policy of Indianisation of the services adopted in this land and also of the number of qualified Indians available for service in the Bank. My Committee deeply regret that attempts should be made to recruit men from outside India while local talent is available.

From the Managing Governor, the Imperial Bank of India Ltd. to Chamber.

In reply to your letter No. T-257 of 26th instant the advertisement you refer to is quite in order.

The word "Candidates" applies to Europeans and Indians alike, and in the Memorandum of Information for Candidates for Staff Appointments in the Bank, para 3, it is laid down that;

> "Applicants must have at least three years' training in one of the well known British Banks if they have no University degree, and not less than two years' training if they have a degree from one of the recognised Universities of Great Britain or Ireland."

During my term of Office as London Manager of the Bank, three Indians applied for Staff Appointments. The first Mr. J. N. Ahuja, son of Mr. Lachman Das, Tahsildar, Dehra Ismail Khan, with two years training in the Bank of Scotland, passed an excellent examination and was appointed on exactly the same terms and conditions in every respect as a European candidate. He is at present serving in the Acconntant's Department, at the Local Head Office, Bombay.

The second applicant, Mr. Shroff, was turned down because his service with the Equitable Trust Company of New York did not fulfil our conditions, the Central Board having decided that this Company could not be considered to be a recognised British Bank.

Tha third applicant, Mr. H. L. Bahl, was also turned down as the extent of his training in a British Bank only amounted to about three months. This gentleman is now on our list of applicants for Probationary Assistants and will, it is hoped, be shortly appointed to our first vacancy.

The Governors of the Bank are aware of, and sympathise with, the policy of Indianisation of the several services in this country, and that the Bank is taking its shares in the furtherance of this laudable object is, I think, evidenced by the information given in the enclosed lists.*

You will observe from these lists that out of 78 Branches and Sub-Branches in the Bengal Circle 30 are now in charge of Indians. In Bombay Circle out of forty-two 16 are in charge of Indians, and in the Madras Circle out of thirty-five 9 are in charge of

* Not Printed Vide File No. R. 27.

Indians. Besides, at the Calcutta and Bombay Local Head Offices there are two and seven Indians respectively holding Staff Appointments, and two Indians holding Staff Appointments in the Central Office.

The number of Probationary Assistants and Sub-Accountants being trained for higher Appointments are as follows :—

68 in the Bengal Circle
36 „ Bombay „
27 „ Madras „
3 „ Central Office

making a total of 134.

The number of Assistants, 2nd Grade, in the Bengal Circle also being trained is 56, in the Bombay Circle 12, in the Madras Circle 15, and in the Central Office 1. making a total of 78.

If there is anything you would like to discuss with me in reference to the foregoing I shall always be glad to see you.

No. T. 325, 10th March 1925.

From Chamber to the Managing Governor, the Imperial Bank of India.

I am directed to acknowledge receipt of your letter of the 27th February 1925 with its enclosure and to thank you for the information given. My Committee regret, however, that they cannot approve of the recognition by the Imperial Bank of only training in British Banks. Surely, American or Continental methods of banking are not inferior to British banking methods and if so any training which a young man may receive in any of the good American or Continental Banks need not be considered inferior to what he may receive in any British Bank. It may also be pointed out that admission as apprentices to British Banks is extremely difficult if not impossible and if training in British Banks only is recognised it would mean rejection

ipso facto of all Indian candidates. In the absence of any efforts on the part of your Bank to facilitate admission of Indian apprentices in British Banks, it is futile to make training in a British Bank a condition for employment in your Bank. My Committee are not even now satisfied with reasons given in your letter for the insertion of the advertisement which formed the subject matter of my previous communication to you.

My Committee note with satisfaction the increasing employment of Indians in higher grades of your Bank but it is difficult for them to judge to what extent such employment is adequate unless they are in a position to compare this number with the total number of fresh recruits who have been engaged by your Bank since the Indianisation was started.

They thank you for your kind offer to see them and ask me to write to you that they will be glad to do so on Monday, the 16th inst., at 2-30 p.m. in the office of the Chamber if the time and date are convenient to you.

Dated 19th March 1925.

From the Managing Governor, the Imperial Bank of India, Ltd., to Chamber.

As promised I beg to hand you herewith a copy of the Memorandum which I submitted to your President at the recent meeting between myself and your Chamber.

I also enclose copy of my * letter of date to the Associated Press of India, Bombay, from which you will see that the suggestion of your President that the information given in my Memorandum should be embodied in the Chairman's Speech at the Meeting of the Shareholders of the Bank to be held in August in Bombay has been adopted. Meanwhile, I trust, that the Memorandum will be treated as confidential by your Chamber.

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* Not printed.

MEMORANDUM.

In January 1921, (the date of the Amalgamation) the number of European Officers in the three Presidency Banks was as follows :—

Bank of Bengal 90

Bank of Bombay 33

Bank of Madras 55

making a total of 180.

In January 1925, after four years, this number had increased to 281, made up as follows ;—

Bengal Circle 145

Bombay Circle 70

Madras Circle 66

281

which shows an increase of approximately 53 per cent.

At the time of the Amalgamation the Bank of Bengal had 22 Offices, the Bank of Bombay 18 and the Bank of Madras 23 making a total of 64. This number has now increased to 157 as follows :—

Bengal Circle 78

Bombay Circle 42

Madras Circle 35

London Office 1

Central Office 1

157

which works out at over 245 per cents of the number of Branches at the time of the Amalgamation. It has only been possible to achieve this result by increasing the number of Indian Officers. Prior to the Amalgamation in January 1921, there were no Indian Officers in the

Banks of Bengal and Bombay and only 1 in the Bank of Madras. There are now 33 Indian Officers actually serving in the Imperial Bank of India.

Thirty six European Officers have left the service of the Bank since the date of the Amalgamation, and although the number of European Officers has increased by 98, only 38 have actually been put in charge of new Branches, although the number of Offices has increased by 93.

The Bank has therefore opened 55 Branches more than the number of European Officers it has appointed as Agents and Officers-in-Charge. To all these Branches Indians have been appointed.

Of the 93 new Branches of the Bank which have been opened since the Amalgamation, therefore, 55 are in charge of Indians, which gives a percentage of over 59 to Indians and only 41 per cent to Europeans.

Not only has the Bank achieved this result in 4 years but it is also training 134 Probationary Assistants and Sub-Accountants and 78 Assistants, Second Grade, to fill up vacancies in its higher appointments in due course.

Of the 212 Indians under training few, if any, had any real knowledge of Banking as required by the Imperial Bank of India at the time they were appointed for Service, and the Bank has deliberately undertaken the task of training these men in order to fit them for Higher Grade Appointments. On the other hand there is no scheme for training Europeans, and the Bank has on many occasions rejected applications received from Europeans in India on account of their having had no training in an English Bank, although in other respects they have been quite suitable for Service.

APPENDIX 95.

ANGLO—GERMAN TREATY.

Dated 8th January 1925.

Telegram from Chamber to the Government of India Department of Commerce.

"Indian Merchants' Chamber anxious to know whether any action taken by Government to secure India most favoured nation treatment from Germany under treaty recently concluded between Great Britain and Germany. If not Chamber urge immediate action to safeguard Indian interests."

No—Miss 97-T.--9th January 1925.

From Government of India Department of Commerce to Chamber.

In reply to your telegram dated the 8th instant, I am to say that in accordance with the general practice of His Majesty's Government the Anglo-German Treaty contains a clause covering most favoured nation treatment for Indian goods.

APPENDIX 96.

HALF-YEARLY HOLIDAY FOR BANK ACCOUNTS.

No. T 34 9th January, 1925.

From Chamber to the Government of Bombay Finance Department.

With reference to the correspondence ending with your letter of the 19th May 1924-No 1345 F, my Committee are given to under-

stand by some of the local banks that the non-declaration of 30th June as a holiday put additional and heavy work on the staffs of the Banks for making half-yearly accounts in consequence of which they are not able to attend to their office busine s properly next day. In view of this my Committe will have no objection to 30th June being declared as a bank holiday provided Government find it possible to reduce one other holiday from the total number of existing holidays for the year.

APPENDIX 97.

LIMITATION OF ELECTION EXPENSES.

Circular No. 2670 dated 24th November 1924.

From Government of Bombay Legal Department to

All Collectors and Returning Officers of the Constituencies of the Bombay Legislative Council, the Legislative Assembly and the Council of State.

In continuation of Legal Department Memorandum No. 2063 dated the 2nd September 1924 on the subject of the preservation of Returns of election expenses, I am directed by the Governor in Council to forward herewith a copy of letter from the Government of India in the Legislative Department No. D-702 A. C., dated the 27th August 1924 together with * a copy of section 8 of the Corrupt and Illegal Practices Prevention Act, 1883 and the First Schedule thereto as amended by section 33(1) of the Representation of People Act, 1918, referred to therein and to request you to favour Government with your views in regard to the categories under which maximum scales of expenditure should be prescribed under rule 18/20 of the Electoral Rules.

* Not printed. Vide File No. R-1 1925.

No. T-91 21st January 1925.

From Secretary and Returning Officer, the Indian Merchants' Chamber to the Government of Bombay Legal Department.

With reference to your Circular letter No. 2670 dated the 24th November 1924, my Committee are of opinion that the maximum limit of election expenses for candidates for the Provincial Councils should be fixed at Rs. 5,000 (Rupees five thousand) and for the Indian Legislative Assembly and the Council of State at Rs. 7,500 (Rupees seven thousand and five hundred).

APPENDIX 98.

COMMERCIAL EDUCATION IN THE PRESIDENCY OF BOMBAY. (VIDE ITEM NO. 108 OF THE ANNUAL REPORT OF THE CHAMBER FOR THE YEAR 1924)

Report of the Conference.

An informal Conference of the following gentlemen was held at the Sydenham College of Commerce and Economics, Bombay for discussing the question of effecting improvements in Secondary Commercial Education in this Presidency, on the 26th September 1924, at 4 p. m. :—

M. Hesketh, Esq.,
Ag. D. P. I. (in the Chair).

M. L. Tannan, Esq.,
Principal, the Sydenham College of Commerce and Economics, Bombay.

H. R. Hamley, Esq.,
Principal, Secondary Training College, Bombay.

L. S. Hudson, Esq.,
Representative, the Bombay Chamber of Commerce.

S. D. Saklatvala, Esq,
Representative, the Bombay Millowners' Association.

K. T. Shah, Esq,
Representative, the Indian Merchants' Chamber and Bureau, Bombay.

F. M. Dalal, Esq.,
Principal B. J. College of Commerce, Bombay.

M. S. Banaji, Esq.,
Principal, Banaji's Tutorial Commercial Classes, Bombay.

In opening the proceedings of the Conference, the Chairman thanked the members of the Conference for attending the informal Conference. In explaining the present position of commercial education he pointed out that while Higher Commercial Education in this Presidency was provided for by the starting of the Sydenham College of Commerce and Economics, and by the institution of the B. Com. degree by the University of Bombay, very little was done for the Secondary Commercial Education. With the exception of the commercial classes attached to the Government High School, Broach, and the B. J. College of Commerce, there are hardly any other aided commercial schools in this Presidency. There are several unaided so-called commercial institutions coaching students for the commercial examinations conducted by the London Chamber of Commerce, and the National Union of Teachers. Moreover there is no systematic arrangement for the teaching of the commercial subjects. These classes are held either in the morning or evening for an hour or two. Referring to the question of putting Secondary Commercial Education on a better footing he said that the following three important questions present themselves :—

(1) What kind of educaiton should the boys who propose to join commercial offices, etc. receive.

(2) Whether any examination is required to be instituted for this purpose, and if so, what subjects should be prescribed for the same.

(3) If such an examination is necessary to be instituted, what kind of schools would be necessary to train students for this examination, and what should be extent of training.

He then pointed out the difficulties which are likely to arise. Firstly he said that supposing such an examination is started, whether it would be accepted by commercial offices, etc., and whether it would be possible to get hold of the right type of boy—most of the boys being unable to make up their minds at schools to abandon the hope of proceeding to colleges; these are the two main factors on which depend the success of any such scheme.

He expressed the opinion that the chief weakness of an average clerk is his inadequate knowledge of English which handicaps him in all his work. As a matter of fact, he told the members, that the Principal of Elphinstone High School, Bombay, informed him that 80 per cent of the candidates who appear for the London Chamber of Commerce Examinations had failed to pass the School Leaving certificate examination or had left the school before appearing for it. It was essential therefore that special attention should be paid to English in any course of commercial or clerical training and for this reason he suggested that English should be an important feature of any commercial examination that might be instituted. He then told the members that as an experimental measure he proposed that Government should hold an examination for a complete commercial or clerical certificate and suggested that the following subjects should be prescribed for the same :—

Compulsory.

1. English, including precis writing and correspondence.
2. Arithmetic, chiefly of a practical nature.
3. Elements of Book-keeping.
4. Typewriting.

OPTIONAL SUBJECTS.

(Two of which must be selected by a candidate.)

1. Shorthand.
2. Commercial Geography.
3. Office Management, filing etc.
4. Administration, i. e. relation of Government to local bodies.
5. Accountancy' i. e. more advanced book-keeping.

As regards the course of training he proposed that for the present Govt. should attach one or two commercial classes to Govt. institutions, in additions to the commercial classes attached to the Govt. High School at Broach. The course of training should be of 2 years for those who have completed A. V. standard V and one year for those who have passed the S. F. or an equivalent examination.

After the conclution of the Chairman's remarks, Mr. Hudson expressed the view that some business firms prepared clerks without any detailed knowledge of commercial subjects as is possessed by the students coming from the so-called commercial colleges and schools. He however expressed the belief that a knowledge of the principles of book-keeping should be of some help to a young man wishing to join a commercial office. He was in favour of the experiment proposed by the D. P. I.

Mr. Saklatwala expressed the opinion that it would be desirable to give a little grounding in commercial subjects to all the students going up for the Matriculation examination. It was pointed to him by Principals Hamley and Tannan that the suggestion was not at all practicable.

Mr. Shah was in favour of trying the experiment. He thought it desirable to provide training also in the Indian system of book-keeping. He also favoured the idea that an attempt should be made to provide training in Gujrati, if possible. He proposed that in the list of optional subjects "Indian Banking" should be included.

It was also suggested that Commercial Geography should be a compulsory and Typewriting an optional subject.

No. T-159 7th February 1925.

From Chamber to the Director of Public Instruction Government of Bombay.

I am directed to acknowledge receipt of your letter of 12th January 1925, No. 207-A, as well as a copy of the procee dings of the Informal Conference regarding Secondary Commercial Education sent by the Principal of the Sydenham College of Commerce through Professor K. T. Shah. My Committee find from the minutes that the subjects of the Indian system of book-keeping and Indian Banking are not proposed to be included in either the compulsory or voluntary subjects of examinations. Prof. Shah, representative of my Committee at the above Conference, drew its attention to the necessity of including these two subjects also. One of the main reasons why my Committee found it necessary to prepare a scheme of commercial examinations in place of similar examinations held by the London Chamber of Commerce was that the latter did not provide for any subjects which are considered essential in Indian business circles. They are strongly of opinion that if the scheme of commercial examinations proposed by Government is to be at all useful to the Indian business community it must provide for subjects like Indian accountancy and Indian banking. The aim of any such examinations should not be merely to turn out junior clerks but to train up young men even for the responsibility of starting as businessmen themselves.

My Committee are of opinion that the medium of instruction for some of these examinations may well be in one of the vernaculars. They hope that these suggestions will be incorporated in any decisions which may be arrived at by the Government as a result of the proceedings of the Informal Conference held sometime back. My Committee will, otherwise, be obliged to go on with their original idea of holding commercial examinations under the auspices of this Chamber.

No. 207-A. Poona, 28th March, 1925.

From the Director of Public Instruction to Chamber.

With reference to your No. T.-159 of 7th February, 1925, I have the honour to state that I had already included Indian Banking as an optional subject in the proposals which I have submitted to Government.

Under compulsory subjects I have put down the 'Elements of Book-keeping,' but have not specifically mentioned Indian Book-keeping as an alternative.

2. I may point out that the object of the examination is to systematise secondary commercial education. We are not aiming at turning out fully qualified clerks and business men, but at giving them the preliminary training most suitable for their future career. In short the course proposed is pre-vocational rather than vocational.

3. I shall be glad to discuss the question with you at any time, and this seems to be the best way of arriving at an understanding.

APPENDIX 99.

BOMBAY PORT TRUST--APPOINTMENT OF CHAIRMAN.

No. T. 872, 30th July 1925.

From Chamber to the Government of Bombay Marine Department.

I am directed by the Committee of the Indian Merchants' Chamber to send hereby to the Government of Bombay their views on the necessity of the Bombay Port Trust having an Indian Chairman for its Board of Trustees. During all the time that the Port

Trust has been in existence there was not a single occasion on which an Indian was appointed to this position even in an acting capacity. A Chairman is generally recruited from either Engineers or Civilians. What my Committee feel is that the Chairman of a body like the Port Trust should be essentially a financial man with commercial and business experience, as the Port Trust is after all a huge business concern and it can only be run on the best lines when its administration is conducted on what may be called business lines. My Committee believe that Indians with the necessary capacity for organisation and administration of such a large body as the Port Trust are certainly available. If the Government feel that it is not necessary to have a businessman or a financial man, they can appoint an Indian with large administrative or organising or engineering experience. My Committee are of opinion that under any circumstances an Indian should be appointed as Chairman of the Port Trust and I have to convey to you their views that the Government will be able to find a suitable Indian to fill the post whatever requirements they may lay down for a responsible position as the Chairman of the Port Trust. I am directed to draw your attention also to the resolution of the Hon'ble Mr. Phiroze C. Sethna on the Indianisation of the Port Trust Service accepted by the Council of State. Unless the Government take a bold step in consonance with the wishes of the business community and the public at large as expressed in this resolution there will be no near possibility of their Indianising the Port Trust Service. A Chairman of the Port Trust has got large and wide powers and an able Indian will be able to impress his personality on the general administration of the Port Trust with the result that Indianisation of the Port Trust Service may be accelerated. Patrons of the Port Trust are Indian businessmen and merchants to a large extent and it will be but fair and just to this class that there should be one at the head of the administration who is familiar with the Indian point of view.

2. In conclusion, my Committee hope that their suggestion will be accepted by the Government.

No. 932-1141 M, 17th August 1925.

From the Government of Bombay Marine Department to Chamber.

With reference to your letter No. T-872, dated the 13th July 1925, on the above subject, I am directed by the Governor in Council to say that as the Trustees of the Port of Bombay, who include representatives of the Indian Merchants' Chamber, have passed a resolution Non-Con. asking Government to appoint Mr. W. H. Neilson as Chairman of the Port Trust, Government consider that they should comply with their wishes, and regret that they are unable to grant the Chamber's request.

APPENDIX 100.

PUBLICATION OF TWICE WEEKLY REPORTS IN THE BOMBAY DAILY WEATHER REPORT.

No. 487 22nd August 1925.

From the Director of Agriculture, Bombay Presidency to Chamber.

In enclosing herewith copy of letter No. 6609 of 19/20th June 1925, from the Director General of Observatories, Simla, on the subject of the twice-weekly crop reports wich are published in the Bombay Daily Weather Report each year from July onwards, I have the honour to enquire whether in view of the facts that these twice weekly reports give reliable and prompt information for all the Provinces of India about cotton and other commercial crops twice a week and that the information is likely to be of considerable benefit to you; your Association is likely to find funds for their continution, and if so the amount of funds it will be prepared to provide.

I am also approaching the other Commercial bodies in the Presidency in this matter and intend to approach Government after hearing from all the Associations and Chambers including yours,

Copy of letter No. 6609 dated the 16/19th June, 1926, from the Director General of Observatories, Simla to the Director of Agriculture, Poona.

"I have the honour to address you on the subject of the twice weekly crop reports, which are published in the Bombay Daily Weather report each year from July onwards.

2. Originally these reports were collected and circulated by the Bombay Chamber of Commerce, but about the year 1889 an arrangement was agreed to, whereby, in return for an annual contribution from the Chamber, this department incorporated these reports in the Bombay Daily Weather report and gave free copies of the Daily Weather Report to all members of the Chamber. Despite subsequent increases in the cost of telegrams and a steady increase in the memberships of the Chamber, the latter's contribution towards the Daily Weather report remained upto 1922 the same as it had been in 1889. The Government of India then took up the question and decided that the special privileges being enjoyed by the Chamber in connection with the report should be discontinued, and that the cost involved in telegraphing the crop reports and the prices of all copies of the report supplied to members of the chamber should be paid for in full by the Chamber. The Chamber demurred at first, but this department took the view that the provision of such information as was contained in the crop reports lay entirely outside the province of its activity and that the reports were published in the Bombay Daily Weather report simply because the Chamber wished for them and were willing to pay the charges. The Chamber then agreed to pay the contributions asked for and have been doing so since 1923.

3. The matter has again been raised in a letter from the Chamber, who assert that the inclusion of the twice weekly crop reports adds very considerably to the popularity of the Bombay Daily Weather report, increases its circulation and thus correspondingly assist Govt. to recoup the overhead charges of daily report. Since many of the readers of the report are not members of the Chamber they consider it inequitable that they should pay the charges (Rs. 1500) annually connected with the collection of these crop reports

and suggest that a part of this cost should be met from public revenues, that is by Government, and that the remainder should be recovered by an increase in the subscription to the report.

4. I still feel that the provision of information about crops is outside the range of our activities and incline to the view that if no longer willing to pay the telegraphic costs of collecting these report we should give up their publication. I have been informed, however, that the twice weekly reports are of value, not only because they come from accredited agents of the Chambers, but also because of the promptness with which they are published. On these points I would be greatly obliged to have your views and would ask whether these twice weekly reports are redundant in view of the information supplied to the public by your department, and bearing in mind the promptness of their appearance under present arrangements also whether the stoppage of these twice weekly reports would cause any inconvenience. If the report should in your opinion be continued, do you think that Govt. should bear part of the cost and would it be possible for your department to meet any part of it."

No. T 1240 12th September 1925.

From Chamber to the Director of Agriculture Bombay Presidency.

I am directed to acknowledge the receipt of your letter of the 22nd August 1925 No. 487/25 with its enclosures. My Committee are surprised to read in the letter from the Director General of Observatories, Simla, to the Director of Agriculture, Poona, that the "provision of information about crops is outside the range of our activities". The Government of India have their Commercial Intelligence, Statistical Department, Meteorological Department, all of which while they have some interest for the business community are at the same time of great interest to the community as a whole. It is now considered a part of the functions and duties of the State to provide such information and my Committee are of opinion that such a provision by the State is not only con-

ducive to the interests of the business community but also of the general public. Inclusion of the twice weekly crop reports does add to the popularity of the Bombay Daily Weather Report but the Government are not justified in thinking that such an inclusion is beyond their purview and is made only in deference to the wishes of the business community. So far as my Committee can judge from your letter and its accompaniments Government want only Rs. 1500 to meet the expenses of the inclusion of the twice weekly crop report in the Bombay Daily Weather Report. It is surely carrying the cult of retrenchment a little bit too for the Government to say that they cannot afford this paltry sum when the information is of vital interest to the public as it must be in this predominantly agricultural country where anything that happens to the crops has such an important bearing on the well-being of the population as a whole. My Committee, under the circumstances, are strongly for the continuance of these twice weekly crop reports and think that the cost of the same which is quite insignificant should be borne by the Public Revenues.

APPENDIX 101

VENEREAL DISEASES.

Copy.

From National Council for Combating Venereal Diseases
102, Dean Street, Oxford Street, W. I.
dated, 30th, April 1925.

To,

The Secretary,

Bombay Chamber of Commerce,

Bombay.

Dear Sir,

I enclose herewith a communication from Viscount Willingdon, which we should be most grateful if you would place before the Chamber of Commerce.

It is recognised that the Public Health problem with which we are concerned is one that is of particular importance to the employers of labour in India. The loss in productive capacity due to the Venereal Diseases has been proved to add very materially to the overhead costs in those large industries where detailed enquires as to the incidents and effects of these diseases have been made. One might cite as one example taken from many, the experience of a manufacturing concern in West Virginia which by providing facilities for free treatment for Venereal Disease increased in a year the labour efficiency of the works 33 % resulting in an increased return of profits of $ 40,000. The incapacitating effects of untreated syphilis and gonorrhoea are a heavy tax on the community, and we believe if general interest in Public Health problems could be stimulated, especially among the industrial centres in India, that not only humanitarian and social, but considerable economic advantage would accrue there from.

We, therefore, solicit your personal interest in our request for the support, either collectively or individually, of the Members of your Chamber of Commerce, in raising the small sum necessary to enable a deputation from this Council to accept the invitation received to confer with the responsible authorities with a view to stimulating such interest as will result in facilities for treatment and public enlightenment being provided for the civil population in India.

——— General Secretary.

COPY.

To,

The Secretary,

Bombay Chamber of Commerce, Bombay.

Dear Sir,

Public attention in most countries has been drawn of recent years to the great incidence of venereal diseases and to the serious and far reaching consequences which they entail to the individual, to the nation and to the race. It is desired as briefly as possible to draw attention to the present position in India as regards these diseases.

An enquiry was made some years ago by the Council of the Countess of Dufferin's Fund into the prevalance of venereal diseases in India and considered opinions were collected from a number of medical practitioners in different parts of the country, men and women, Indian and European, stating that the prevalence of the diseases is extremely high both among men and women, and is the cause of many deaths, much general ill-health, much sterility, and a large infant mortality.

In May of last year an Imperial Social Hygiene Congress in connection with the British Empire Exhibition was held at Wembly, at which representatives from all parts of the Empire attended, among them several responsible officials of the Indian Governments. Estimates were given from different parts of India, of a high incidence of disease. Other speakers from India confirmed the high estimate.

In response to direct enquiries from the National Council replies have been received from 23 Mission Hospitals. All have indicated the pleasure whith wich they would welcome a visit from representatives of the Council and stress both the high incidents and the many difficul ties which now attend the provision of facilities for treatment.

The Bombay League for Combating Venereal Diseases recently conducted an enquiry into the prevalence of the diseases in one ward of the city. All patients attending seven hospitals and dispensaries consented to examination and of the total number 22.6% were found to be suffering from venereal infection.

There appears to be strong evidence that venereal diseases in India cause, among a large section of the pupulation, general ill-health industrial inefficiency, blindness and sterility and undoubtedly have a large share in the high mortality, both general and infantile, and in the reduced Indian expectation of life.

In other countries the measures which have been adopted to reduce the incidence of venereal diseases have been:—

(1) Enquiry into the incidence of venereal diseases.

(2) Education of the Public in the serious consequences of these diseases and the need for a higher morality.

(3) Increased facilities for medical treatment.

(4) Legislation.

It is with the first of these measures that the National Council is concerned at present. It has, during the past few years, been requested to send several travelling Commissions or Deputations to different parts of the world. These consists of two or three persons who are trained experts in the organisation of anti-venereal measures, and their task is to confer with Government Officers and with municipal and charitable organisations, to explain in detail to the Governments, the Legislative Councils, industrial magnates, land owners, employers of labour, medical practitioners, teachers and all sections of the community the special dangers of venereal diseases, the recent discoveries of science relating to them, and the methods which have been adopted in other countries to combat them. Each community is subsequently in a better position to consider what action it will take in the special circumstances in which it finds itself.

The Local Governments of Bombay and Burma have already welcomed the proposal to send such a Commission and have undertaken to ask the Legislative Council to vote the amount necessary for local expenses.

A further sum will be necessary to meet the cost of passages from England, salaries, propaganda material, etc., and the National Council hopes, you will find it possible, to join in the invitation and to contribute to the sum needed for the commencement of this great campaign, which, it is hoped, will result in the relief of much suffering in the building up of national strength, and in an inheritance of health and prosperity for the future millions of the people of India. One charitable trust in India has already made a generous contribution, and donations have been received from several friends of India in this country. It, therefore, only remains for a sum of approximately £ 3,000 to be raised to enable the representatives of the Council to leave for India in the autumn of 19 25.

I have the honour to be, Sir,

Sd. WILLINGDON.

Chairman, India Committee.

No. T-942 24th 1925.

From Chamber to the Viscount Willingdon, G. C. S, I., G. C. I.E., G. B. E. Chairman, India Committee, The National Council for Combating Venereal Diseases, London.

Papers relating to your Association and their proposed work in this country were sent to the Hon'ble Mr. Phiroze C. Sethna O. B. E. President of this Chamber and received by him. They were, however misplaced and Mr. Grantham, President of the Bombay Chamber of Commerce, was kind enough to allow copies to be made of letters addressed to him on the same subject. The Committee of this Chamber are thankful to your Lordship for the courtesy with which you have addressed them in this connection. They regret very much, however, that the Chamber as a body has no funds from which any contribution could be sent and that the present acute depression in trade and industries makes it impossible for any fund, however small, to be raised from the business community which again has to respond to several urgent calls for help which, as your Lordship knows very well, are a feature of the Bombay life. Under these circumstances my Committee regret they cannot do anything in the matter.

APPENDIX 102.

EXECUTIVE COUNCIL OF THE GOVERNMENT OF BOMBAY.

No-T944 24th July 1925.

From Chamber to the Chief Secretary to the Government of Bombay.

Committee learn that there are going to be two vacancies in the Executive Council of the Government of Bombay in the near future. They beg to request the Government of Bombay to be pleased to take advantage of this opportunity and to make an appointment

only to one of the two vacancies, letting the other remain unfilled. My Committee are led to urge this course on the attention of the Government mainly because of reasons of retrenchment. The colossal increase in the expenditure of the Government of India during the war period and the period following soon after it, accompanied as it was from 1920 onwards by a terrible depression in trade and industries sapping away the sources of revenues, made both the Government and representatives of the people keenly alive to the necessity for a drastic retrenchment and it was this which led to the appointment of the Inchcape Committee. That Committee was concerned with All-India subjects only but Provincial Governments had their own retrenchment Committees. Unfortunately the axe has not been used to an appreciable extent in the Provinces, at least not to the extent which was necessary. My Committee may be excused if they quote here from their letter dated 26th February 1925 No T. 258 addressed to the Government of Bombay :—

"Though there is always an academic acceptance by Government of the principle of retrenchment, the result of this is not seen in any curtailment of public expenditure. The total expenditure of the Presidency which stood at Rs. 6, 77,07,000 in 1910-11 steadily rose upwards to Rs. 14,24,64,000 in 1921-22, in the next year there was a drop to Rs. 11, 92, 67000 but it has again risen up to Rs. 13,17,65,000 for 1924-25 (Revised) and is estimated to be Rs. 14,62,31,000 in the Budget for 1925-26. It will be obvious from this that there is an urgent necessity for an alround retrenchment in the huge expenditure and unless such retrenchment is effected, it it feared that the burden of taxation will go on increasing every year."

It is because of this vital necessity for retrenchment that my Committee are suggesting reduction of members of the Executive Council of the Bombay to 3, a sugggestion which they feel, has behind it the merit of aiming at reducing the top-heaviness of the Provincial Government. It will not be inappropriate in this connection to mention that the Hon'ble Mr. Phiroze C. Sethna moving his resolution in the Council of State urging the reduction in members of Executive Council observed :—

"The complaint is heard, Sir, on occasions that in trying to bring about retrenchment perhaps those who want to apply the shears begin from the bottom and not from the top; that very often some poor peon or clerk is dismissed and it may be—I do not say it is—that many holding sinecures higher up are left as they are."

The Hon'ble Sir Manekji Dadabhoy who followed him also referred to the "top-heaviness of Provincial Government". My Committee venture to observe that though the Government of India Act of 1919 lays down in section 47 that "the members of a Governor's Executive Council shall be appointed by His Majesty's warrant under the Royal Sign Manual, and shall be of such number, not exceeding four, as the Secretary of State in Council directs", this does not prevent the strength of the Executive Council being reduced to three. The Montague-Chelmsford Report and the Joint Parliamentary Committee in their respective reports did not contemplate Executive Council of more than too members. It cannot be argued that authors of these reports did not contemplate any increase in business, of Government as a result of the inauguration of the Reforms and yet notwithstanding this they did not recommend more than two members. Even the reduction of one such highly paid appointment will not mean a slight retrenchment as an economy of at least Rs. 75,000 will be effected if the salary of the Hon'ble Member, travelling expenses and staff are taken into account. Before the reforms there were only three members of the Executive Council. The work done by them and H. E. the Governor is now done by four Executive Councillors and three Ministers. A reduction of one in the number of the Executive Councillors, therefore in the opinion of my Committee, might be safely effected without impairing efficiency.

Under the circumstances, my Committee hope the Government of Bombay will be pleased to accept their suggestion and to keep one of the Executive Councillorships vacant.

APPENDIX 103.

DELIVERY OF ORDINARY TELEGRAMS.

No. T. G. 33, dated 30th May 1925.

From the Postmaster-General Bombay Circle to Chamber.

I have the honour to say that under rule 393 of the Post and Telegraph Guide, the delivery of ordinary telegrams at places with telegraph offices open all the 24 hours extends at present between 6 a. m. and 11 p. m. As, however 11 p. m. has been respresented to be rather too late an hour to send out ordinary telegrams, it is proposed to close the delivery of such telegrams at 10 p. m. Kindly let me know if $\frac{\text{you}}{\text{your}}$ association have any objection against the proposal.

No. T. 763 18th June, 1925.

From Chamber to the Postmaster-General, Bombay Circle, Bombay.

With reference to your letter No. T. G. 38 dated the 30th May, last, I am directed by my Commttee to inform you that they have no objection to the proposal to close the delivery of ordinary telegrams at 10 p. m.

APPENDIX 104.

CHAMBER'S REPRESENTATIVE ON THE INDIAN CENTRAL COTTON COMMITTEE.

No. 2813 dated 3rd March 1925.

From the Indian Central Cotton Committee to Chamber.

I am directed to state that under rule 3 of the Indian Cotton Cess Rules one third of the members of the Indian Central Cotton Committee retire by rotation annually and your representative, Sir Purshotamdas Thakurdas, Kt.,C.I.E., M.B.E, M.L.A., retires from March 31st 1925, his name having been drawn in the ballot under the rule on February 23rd. The object of the rule is to maintain countinuity in the personnel of the Committee and all retiring members are eligible for re-nomination. I am to request that the name of the representative nominated by the Indian Merchants' Chamber may be communicated to me at an early date to enable the nomination to be published in the Gazette of India.

No. T. 332 dated 10th March 1925.

From Chamber to the Indian Central Cotton Committee.

With reference to your letter No. 2813, dated 3rd March 1925, I am directed by my Committee to inform you that they have re-nominated Sir Purshotamdas Thakurdas, Kt., C. I. E, M. B. E., M. L. A., as their representative on the Indian Central Cotton Committee.

No. 3030 dated 21st March. 1925.

From the Indian Central Cotton Committee to Chamber.

I have the honour to acknowlege the receipt of your letter No. T. 332, dated the 10th March 1925, intimating the renomination

of Sir Purshotamdas Thakurdas as the representative of the Indian Merchants' Chamber on the Indian Central Cotton Committee and to state that the Government of India are being asked to gazette the appointment.

No. 1202 13th November 1925.

From the Indian Central Cotton Committee to Chamber.

I have the honour to enclose a copy of a letter dated the 12th of November 1925, received from Sir Purshotamdas Thakurdas who is your Chamber's representative on the Indian Central Cotton Committee. Under Rule 4 of the Indian Cotton Cess Rules I am directed to request the Indian Merchants' Chamber to nominate a representative to the vacancy thus occuring. On receiving your nomination I will forward it to the Government of India in order that the appointment may be published as usual in the Gazette of India.

Copy of letter dated the 12th of November 1925 from Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A., Navsari Chambers Outram Road, Fort, Bombay to the Secretary, Indian Central Cotton Committee, Bombay.

Owing to my absence from Bombay on the Royal Commission on Currency and Finance, I beg to resign my membership of the Indian Central Cotton Committee, as representing the Indian Merchants' Chamber. I wish to thank the President and my other colleagues on the Committee for the uniform courtsey that they have shown me all through my period of office, and I wish to record my firm conviction that the work entrusted to the Committee is capable of ensuring immense good to the cotton cultivator of India.

No. T. 1638 18th November 1925.

From Chamber to the Indian Central Cotton Committee.

I am directed by my Committee to acknowledge the receipt of your letter No. 1202 dated the 13th instant, and to inform you that Mr. Lalji Naranji M. L. C., Ewart House, Tamarind Lane, Fort Bombay will henceforward represent this Chamber on your Committee in place of Sir Purshotamdas Thakurdas C. I. E., M L. A.

No. 1514 19th November 1925.

From Indian Central Cotton Committee to Chamber.

I have the honour to acknowledge your letter No. T-1638 of the 18th of November 1925 and to say that the Government of India have been requested to issue the usual notification in the Gazette of India in regard to Mr. Lalji Naranji's appointment as your representative on the Central Cotton Committee.

I am sending to Mr. Lalji Naranji, in the meantime a copy of the Minutes of the last meeting of the Central Cotton Committee and the usual papers connected with its work.

APPENDIX 105.

ELECTION OF CHAMBER'S REPRESENTATIVE ON THE BOMBAY PORT TRUST FROM THE COTTON SECTION OF THE CHAMBER.

No. 6251, 14th November 1925.

From the Bombay Port Trust to Chamber.

I am directed to inform you that Sir Purshotamdas Thakurdas has applied for leave of absence from the meetings of the Board for

six months from the 21st instant and to request that you will please take steps for the election of an acting Trustee during his absence under the provisions of Section 13 (2) of the Bombay Port Trust Act, 1879.

No. T. 1726 3rd December 1925.

From Chamber to the Bombay Port Trust.

With reference to your letter No. 6251 of the 14th Nov. 1925, I am directed to inform you that Mr. Mathuradas Vissanji Khimji J. P., is elected a representative of this Chamber in place of Sir Purshotamdas Thakurdas C.,I.E. M.L.A., who has taken six months' leave of absence. The address of Mr. Mathuradas Vissanji Khimji is 9, Wallace Street Fort.

APPENDIX 106.

CHAMBER'S REPRESENTATIVE ON THE ADVISORY COMMITTEE TO THE ROYAL INSTITUTE OF SCIENCE.

No-T 1601 12th November 1925.

From Chamber to the Government of Bombay Department of Education.

I am directed by my Committee to inform you that Mr. Kapilram H. Vakil, B. A., (Bom); M. Sc. Tech. (Manc); F. I. C., M. I Chem. E. Navsari Chambers, Outram Road, Fort, Bombay, will henceforward represent this Chamber on the Advisory Committee, Royal Institute of Science, Bombay, instead of Sir Purshotamdas Thakurdas who has sent in his resignation.

No 3234-E., dated the 19th November, 1925.

From the Government of Bombay, Educational Department to Chamber.

With reference to your letter No. T.-1601, dated the 12th November 1925, I am directed to state that the Government of Bombay (Transferred Departments), have been pleased to appoint Mr. Kapilram H. Vakil, B.A., (Bom), M. Sc. Tech (Manc.), F.I.C., M.I. Chem. E., as a member of the Advisory Committee of the Royal Institute of Science, Bombay, up to 31st December 1925 *vice* Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., resigned.

No. 3234-E, Dated the 24th November, 1925.

From the Government of Bombay, Educational Department to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of the rules relating to the Advisory Committee of the Royal Institute of Science, Bombay, showing the constitution and functions, etc., of the Committee and to request that you will be so good as to communicate to Government before the 15th December 1925 the name of the gentleman who should represent the Chamber on the Committee for the next three years commencing from 1st January 1926.

Rules relating to the Advisory Committee of the Royal Institute of Science, Bombay.

1. The functions of the Committee shall be purely advisory but the Secretary to the Committee shall place before it the budget of the Institute and any new proposals in connection with the Institution, and shall submit them to Government together with the remarks of the Committee theron, through the Director of Public Instruction.

2. The Committee shall consist of :—

(1) The Vice-Chancellor of the Bombay University (Chairman);

(2) and (3) Two representatives appointed by the Senate out of the Fellows in the Faculty of Science;

(4) and (5) Two representatives of the Indian Industry (one elected by the Indian Merchants' Chamber and Bureau and one by the Millowners' Associations of Bombay and Ahmedabad alternately);

(6) One representative of the St. Xavier's, Wilson and Fergusson Colleges in rotation.

(7) One representative elected by the donors;

(8) A member nominated by Government;

(9) and (10) Two senior Professors of the College appointed by Government;

(11) Principal (Secretary).

All members other than ex-officio members shall hold office for three years. The term of office of the present members will expire on 31st December 1925.

3. The Vice-Chancellor of the Bombay University shall be ex-officio Chairman and the Principal of the Institute shall be ex-officio Secretary of the Committee.

4. The Chairman shall preside at meetings of the Committee. In his absence a Chairman shall be elected by the members present. The ruling of the Chairman in regard to all questions of procedure shall be final.

5. Ordinarily the Advisory Committee will meet on the last Thursday in June and the last Thursday in October and at such other times as circumstances may require. These meetings will be held in the premises of the Institute.

6. Notice of the time and place of meeting will be issued to each member by the Secretary under instructions from the Chairman at least sixteen days in advance.

7. Four members of the Committee exclusive of the Chairman shall form a quorum.

8. The Committee is authorised to call in experts for the consideration of any question on which expert advice is required and to recommend the appointment of sub-committees to deal with particular questions or with special branches of the work of the Institute. Before consulting any expert whom it is proposed to remunerate for his advice the Committee should obtain the sanction of Government to the payment of such remuneration.

9. The official members when attending meetings will draw travelling allowance under the ordinary rules. The non-official members will be paid the travelling allowance admissible to an officer of the first class, but without daily allowance.

10. It is expected of mebers that they will from time to time pay personal visits to the Institute and thus keep in touch with its circumstances, its work, and its needs and aspirations.

N. T 1701 30th November 1925.

From Chamber to the Government of Bombay, Educational Department.

With reference to your letter No. 3234-E dated the 24th instant, I am directed by my Committee to inform you that Mr. Kapilram H. Vakil, B. A. (Bom), M. Sc. Tech (Manc), F. I. C., M. I. Chem. E., Navsari Chambers, Outram Road, Fort, Bombay will represent this Chamber on the Advisory Committee of the Royal Institute of Science, Bombay for the next three years commencing from 1st January 1926.

No. 3234-E. 13 th. January 1926.

From the Government of Bombay, Educational Department, to Chamber.

With reference to the correspondence ending with your letter no. T-1701, dated the 30th November 1925 on the above subject, I am directed to state that the Government of Bombay (Transferred Departments) are pleased to appoint Kapilram H. Vakil, Esq., B. A. (Bom.), M. Sc. Tech. (Manc.), F. I. C., M. I. Chem. E. as a member of the Advisory Committee of the Royal Institute of Science, Bombay, for the triennium commencing 1st January 1926.

APPENDIX 107.

CHAMBER'S REPRESENTATIVE ON THE EXECUTIVE COMMITTEE OF THE MEDICAL RELIEF COMMITTEE BOMBAY.

Bombay 13th December 1925.

From the Honorary Secretaries, Sir Leslie Wilson's Hospital Fund for Bombay to Chamber.

At the public meeting held at the Town Hall on the 9th inst. an Executive Committee was appointed to administer the Sir Leslie Wilson Hospital Fund for Bombay, and the said Committee included the representative to be nominated by the Indian Merchants' Chamber and Bureau. We have therefore to request that you will be pleased to select one of your representatives and to communicate his name to us, in order to enable us to complete the list of members.

The favour of a very early reply is requested.

No. T.-1818, dated the 17th December 1925.

From Chamber to the Honorary Secretaries Sir Leslie Wilson Hospital Fund for Bombay.

I am directed to acknowledge receipt of your letter of the 13th instant.

This Chamber informed the Private Secretary to His Excellency the Governor of Bombay so long back as 15th September 1925 that the Hon'ble Mr. Phiroze C. Sethna would represent this Chamber on the Executive Committee of Medical Relief. My Committee again confirm that letter and beg to inform you that the Hon'ble Mr. Phiroze C. Sethna will represent this Chamber on the Executive Committee of Sir Leslie Wilson Hospital Fund for Bombay.

APPENDIX 108.

REPRESENTATION OF COMMERCIAL AND INDUSTRIAL INTERESTS ON THE SENATE OF THE BOMBAY UNIVERSITY.

No. T-1834 21st December 1925.

From Chamber to the Registrar, University of Bombay.

It has been felt for a very long time that the University of Bombay has remained to a large extent aloof from the industrial and commercial life of the City and the Presidency. Some of the questions included by the University Reform Committee in their questionnaire point to the fact that Committee realised the evils of the existing situation. In reply to some of these questions my Committee definitely said that the University must not remain exclusively aloof from the Commercial or Provincial Associations,

from Municipal or Government organisations and that it must have representation upon its own supreme body from the various organisations in the City and in order that attendance and strength of such representation may not become perfunctory they may be drafted by the University's governing authorities upon its various bodies such as its faculties, boards of studies, employment bureau, scientific or experimental clubs or whatever other organisations that may be functioning under the University which are likely to be of interest to the Associations above named. The University Reform Committee have also made a recommendation in this connection in their final report, para 62, which is as follows .—

> * * * * * Similar suggestions for making the Senate of the University more representative of the community as a whole and of industrial and commercial interests in particular come to us from many witnesses and in Chapter XVI we have attempted to satisfy this demand in the composition which we suggest for the new Senate. We therefore propose that out of a body numbering 150 not less than 37 be elected representatives of the general public, viz., 24 representatives of public bodies and associations (including ten representatives of business interests), 4 representatives of municipalities, 4 of District Local Boards and 5 non-official members of the Legislative Council. Should this proportion of elected representatives of the business world not be felt sufficient, it might be increased by the Senate to which it is proposed to give power to co-opt 15 or by the Chancellor to whom we give power to nominate 33."

2. In view of all these circumstances, my Committee beg strongly to urge that the time has now come when commercial and industrial interests should no longer be left without adequate representation on the Senate of the University. There is also the added consideration at present that recommendations for the advancement of technological studies by the creation of a Faculty of Technology accepted by both the majority and the minority reports of the

Sir M. Visveswaraya Committe have been endorsed by the University Reform Committee. It is likely that these recommendations will come up for consideration of the Senate in near future and it is therefore very desirable and essential that there should be an adequate representation of commerce and industries on the Senate so that while they are considering such important questions they may get the useful co-operation and help in their deliberations from representatives of trade and industries. My Committee, therefore, beg to request His Excellency the Chancellor of the University of Bombay to nominate at least 5 Fellows of the University of Bombay on the recommendation made in that behalf by the Committee of this Chamber. There are no lacking precedents for such a procedure. My Committee may be allowed to draw attention to the practice under which the Municipal Corporation of Bombay recommends two members for nomination as Trustees of the Port of Bombay by the Government. In the same way the Committee of this Chamber may be given the privilege of recommending five members of the Chamber for nomination by His Excellency the Chancellor as Fellows of the University of Bombay. My Committee would very much desire that this privilege should be accorded as recommended by the University Reform Committee to them in the form of a regular election but as it may take some time before effect is given to the recommendations of the University Reform Committee in the way of legislation, my Committee beg to suggest this course for the transitional period when there is no legislative provision regarding representation of commercial and industrial interests on the Senate and these interests stand in danger of having their particular case or cases go by default. My Committee beg to hope that this letter will be favourably considered by His Excellency the Chancellor of the University and their suggestion accepted.

No. 8921 24th December 1925.

From the Registrar, University of Bombay to Chamber.

I have the honour to acknowledge receipt of your letter No. T/1834, dated the 21st December 1925, requesting His Excellency

the Governor and Chancellor of the University to nominate at least five members of the Senate on the recommendation of the Committee of your Chamber during the present transitional period of University development, and to state that the letter has been forwarded to the Private Secretary to the Governor for favour of submission to His Excellency.

No. 1489 12th. February 1926.

From the Registrar University of Bombay to Chamber.

In continuation of this office No. 8921, dated the 24th December 1925, I have the honour to forward herewith a copy of a letter, dated the 10th February 1923, from the Private Secretary to the Governor of Bombay, with reference to your request that five members be nominated to the Senate on the recommendation of the Committee of your Chamber during the present transitional period of University development.

(Copy)

10th February 1926.

Government House, Bombay.

Dear Sir,

In reply to your letter of the 24th of December, I am to say that, while it is true that the University Reform Committee have recommended that a greater representation should be given to the industrial and commercial interests in the Senate, they have at the same time proposed that some of the functions of the Senate should be transferred to a new body to be called the "Academic Council".

The proposals of this Committee have not yet been fully considered by Government, and His Excellency considers that it would not be desirable to anticipate the conclusions which may be reached

by Government by taking action, at this ssage, on the lines suggested by the Indian Merchants' Chamber.

Yours faithfully,

(Sd.) J. C. KER,

Private Secretary to the Governor of Bombay.

APPENDIX 109.

REPRESENTATION OF SUGAR MERCHANTS' ASSOCIATION ON THE COMMITTEE OF THE CHAMBER AND THE BOMBAY PORT TRUST.

14th February 1925.

From the Sugar Merchants' Association to Chamber.

Herewith I am sending you a copy of resolutions * passed by the General Board of my Association for information of your Committee with a request for doing needful in the matter.

Please place the same before your Committee at the earliest opportunity possible.

No. T. 266, 28th February 1925.

From the Chamber to the Sugar Merchants' Association.

With reference to your letter of the 14th instant, enclosing copies of resolutions passed by the General body of your Association, my Committee regret that they cannot take action on the lines indicated in the resolutions at present. The matter will, however, be considered at another suitable time.

* As these resolutions were passed in Gujerati, they are not published, See File No. N I 1925

No. 379, 6th March 1925.

From the Sugar Merchants' Association to Chamber.

With reference to your letter of the 20th ultimo I am directed to request your Committee of the desirability of considering the proposal of the General Board of this Association duly expressed in its resolutions that have been forwarded to you on the 14th ultimo., in the next Meeting of your Committee as the matter is of gravest concern to the interests of the Sugar Merchants of Bombay.

No. T. 375, 17th March 1925.

From the Chamber to the Sugar Merchants' Association.

With reference to your letter No. 379 dated the 6th instant, I am asked by my Committee to inform you that they regret they have nothing to add to their letter No. T. 263 of the 28th February 1925.

APPENDIX 110.

APPRECIATION OF MR. B. F. MADON'S SERVICES IN CONNECTION WITH THE ROYAL COMMISSION ON INDIAN CURRENCY AND FINANCE.

No. T. 1817, 17th December 1925.

From Chamber to B. F. Madon Esq.

I am directed to send to you the following resolution passed by the Committee at their meeting held on the 15th instant :-

" The Committee desire to place on record the eminent services of their present Vice-President Mr. B. F. Madon not only in preparing a very lucid statement on behalf of the Chamber to be placed before the Royal Currency Commission but more so for having given his oral evidence to substantiate this written statement."

18th December 1925.

Form B. F. Madon Esq., to Chamber.

I have to hand your favour of the 17th and beg to convey my sincere thanks to the Committee for their very kind appreciation of my services in connection with the written evidence and oral representation of the Chamber and will only add that it will always be a great pleasure to me to be of any service to the Indian Merchants' Chamber.

APPENDIX 111.

STOPPAGE OF PERMITS FOR ALL INDIANS VISITING SHIPS AT AFRICAN PORTS BY B. I. S. N. Co., Ltd.

Telegram from the Indian National Association Zanzibar to Chamber.

"Agents British India Steam Navigation Company entirely stopped issuing permits for all Indians visiti ng ships bound Bombay thus even necessitating women go on board alone. Sons husbands cannot accompany upto ships, no valid reasons promoting such drastic measure serious resentment prevails. If immediate instru ctions withdraw this restriction not issued apprehend serious difficulties between British India and shipping and travelling Indian commu nity cable reply Indian National Association."

No. T 1704 30th November 1925.

From Chamber to Messrs. Mackinnon Mackenzie & Co., Agents, British India Steam Navigation Company Ld.

I am directed to send to you hereby a copy of* cablegram my Committee have just now received from the Indian National Association, Zanzibar.

*Printed above.

My Committee will be much obliged if you will be kind enough to let them know at your earliest convenience if the facts stated therein are correct and, if so, the reasons which have led you to adopt this new practice.

No. P. B. I. 4 th December 1925.

From the British India Steam Navigation Company, Limited. to Chamber.

We beg to acknowledge receipt of your letter No. T/1704 of the 30 th ultimo enclosing copy of a cablegram which your Committee has received from the Indian Nat ional Association, Zanzibar. A similar telegram has been sent to us direct.

We would inform you that the Company have found it necessary both in the interests of themselves and their passengers to restrict the numbers of visitors at all ports, and visitors are now only allowed on the Comany's African steamers when there are special reasons, which necessitate their presence on board. We have cabled to our Zanzibar agents to use their discretion in regard to the issue of passes in such cases as those in which women are travelling unaccompanied. We may say that there has never been any intention on our part of discriminating between European and Indian passengers, and we believe that the Indian National Association, Zanzibar, have sent these telegrams under a misapprehension of the real position.

N. T 1775 14th December 1925.

From Chamber to Messers. Mackinon Mackenzie & Co., Ltd.

I am directed to acknowledge the receipt of your letter of the 4th instant No. P/B I. My Committee think that the actions taken by you with regard to complaints made by the Indian National Association, Zanzibar do not go far towards meeting the needs of the situation. They appreciate that there has never been any intention

on your part of discriminating between European and Indian passengers but beg to draw your attention to the fact that while a European lady for instance would not mind going alone on board and would not stand in need of any male members of her family to see her off, an Indian lady would be practically stranded without such assistance What my Committee desire is that action in such cases should not be left to the discretion of your Agents but that explicit instructions should be sent to them to issue passes in all cases in which women are travelling unaccompained. They feel sure that your company will kindly respond to this demand on the part of the Indian travelling public.

No. P. B I, 11th December 1925.

From British India Steam Navigation Company, Limited to Chamber.

We are in receipt of your letter No. T-1775 of the 10th instant in connection with the complaint made by the Indian National Association, Zanzibar, in regard to the issue of passes to visitors wishing to go on board the Company's steamers and note what you write on this subject.

We regret that the Company cannot see their way to issue explicit instructions to all Agents to issue passes in all cases in which women are travelling unaccompanied, as each case must be considered separately. We have, however, requested all the Company's Agent on the African Line to issue passes in such cases whenever circumstances permit and we feel sure that there is not likely to be any further trouble in this matter.

No. T-1807, 16th December 1925.

From Chamber to Messrs. Mackinnon Mackenzie & Co., Agents B. I. S. N. Co..

I am directed to acknowledge receipt of your letter of the 11th instant, No. P.B. I. My Committee thank you for the action taken

by you in the direction of removing the complaint made by the Indian National Association, Zanzibar. They, however, still think that the action taken is not sufficient and therefore request you to be good enough to issue instructions to your Agents that at least one visitor's pass should be given in all cases in which an Indian lady or ladies are passengers and want either to go on board the steamer or want to get down from the steamer.

No. T.-1829, 18th December 1925.

From Chamber to The Indian National Asscoiation, Zanzibar.

With reference to your letter of the 30th November I am sending to you herewith copies of correspondence passed between this Chamber and the Agents, B. I. S. N Co., for your information.

No. P/B. I., 18th December 1925.

From the British India Steam Navigation Company Limited, to Chamber.

We have to acknowledge receipt of your letter No. T./1807 of the 16th instant in regard to the issue of passes for visitors wishing to go on board the Company's steamers.

We regret that for the reasons already given we cannot accept the suggestion made by your Committee that we should issue definite instructions to all Agents to issue passes in the cases mentioned.

APPENDIX 112.

EXTINGUISHING LIGHTS IN TRAM-CARS AT TERMINI.

No. T 1560 5th November 1925.

From Chamber to the Bombay Electric Supply & Tramways Co., Ltd.

The attention of my Committee has been drawn to the practice followed by your employers in tram-cars to extinguish lights as soon

as they reach terminus stations. This has been particularly noticed at the Sasson Dock Terminus when trams arrive there from the Museum. People are put to a good deal of inconvenience through this practice and specially ladies of respectable families have to suffer some times a deal of annoyance and stand in danger of being insulted by some badmashes taking advantage of the situation. I am therefore directed by my Committee to request you to be good enough to issue orders putting a stop to the practice referred to above.

My Committee feel that your Company will not in any way be suffering from the discontinuance of such a practice but that on the contrary a public grievance will be removed.

No. 11417/25 6th November 1925.

From The Bombay Electric Supply and Tramways Company, Ltd, to Chamber

In reply to your letter No. T/1560 of the 5th instant, a general order has again been issued to the Starters at all Termini to see that the lights in tramcars are not extinguished until all passengers have alighted.

Particular attention will be paid to Sasson Dock, to which you have drawn our special attention.

APPENDIX 113.

PUBLICATION OF ABBREVIATED TELEGRAPHIC ADDRESSES OF THE PUBLIC.

No. 550 H. Calcutta 3rd December 1925.

From the Director-General of Posts and Telegraphs to Chamber.

I am directed to inform you that this Department has been put to a heavy loss over the publication of the list of Public Abbreviated

Addresses which is issued yearly with a half yearly supplement. This list contains about 50,000 abbreviated addresses of firms and individuals but the number of copies sold is so small that there is a considerable loss every year on the publication. The question of making over the publication to a private agency was taken into consideration lately and the principal printing firms were addressed in the matter but none of them agreed to undertake the work. As the book is not paying it is intended, to stop its publication and I am to enquire if you have any objection.

No. T. 1773, 10th December 1925.

From Chamber to the Director-General of Posts and Telegraphs.

I am directed by my Committee to acknowledge receipt of your letter No. 550-H dated the 3rd December 1925, and inform you that the list of Public Abbreviated Addresses is very useful to the business community.

They apprehend that the stoppage of its publication will be very inconvenient to the commercial community and beg therefore to disapprove of your suggestion and hope that the list will continue to be published as usual in future.

APPENDIX 114.

DEATH OF QUEEN MOTHER ALEXANDRA.

24th November 1925.

Telegram from Chamber to the Private Secretary to His Excellency the Governor of Bombay.

"Committee of the Indian Merchants' Chamber beg respectfully that His Excellency the Governor will be pleased to convey the fol-

lowing message of condolence to the Secretary of State for India. They have heard with profound sorrow the mournful news of the death of Queen Mother Alexandra and offer their expression of sincere condolence and heartfelt sympathy in their present bereavement to His Majesty King Emperor and other members of the Royal Family.

Phiroze C. Sethna, President."

26th November 1925.

From the Private Secretary to H. E. the Governor to the Hon. Mr. P. C. Sethna.

I am desired by His Excellency to thank you for your kind message of sympathy on the death of Her Majesty the late Queen Alexandra, and to say that it will be transmitted to the proper quarter.

Yours sincerely,

J. C. KER.

APPENDIX 115.

DEATH OF DESHBANDHU C. R. DAS.

Dated 18th June 1925.

Telegram from Chamber to Mrs. Chittaranjan Das, Calcutta.

"Committee of the Indian Merchants' Chamber along with the rest of India have received the sad news of the untimely death of Deshbandhu Das with profound sorrow. In him the country has lost a devoted and patriotic leader who had shown rare traits of leadership self-sacrifice and organisation. His strenuous and consistent fight for getting for India her legitimate political status has earned for him an imperishable place in the memory of his

grateful countrymen stop Committee offer to you their sincere condolences on this sad bereavement."

APPENDIX 116.

DEATH OF MR. MOTILAL VALLABHJI.

No. T-933, 23rd July 1925.

From Chamber to Dwarkadas Vallabhji Esqr.

I am desired by the Committee of this Chamber to convey to you and your brother Mr. Motilal's family their deep sense of the loss the business community in general and this Chamber in particular has suffered through the death of your brother Mr. Motilal. He was connected with this Chamber since its very inception and was a member of the Committee for a long time. He had rendered valuable services to the Chamber and my Committee have put on their record their appreciation of these services. My Committee are sending their heartfelt condolences on this sad bereavement which you will kindly accept.

From Dwarkadas Vallabhji Esqr., to chamber.

I have received your letter of the 23rd inst. expressing the Committee's condolences and sincere sympathies towards us at the death of my brother Mr. Motilal.

I thank you and the Chamber for this expression of sorrow and conveying condolences to us and for appreciating his services at the last meeting of the Chamber.

APPENDIX 117.

DEATH OF MR. AHMEDBHOY CURRIMBHOY.

No. 1543-44. 2nd November 1925.

From Chamber to Sir Currimbhoy Ebrahim Bart, and Sir Fazulbhoy Currimbhoy.

I am desired by the Committee of this Chamber to convey to you

their sincere and heartfelt condolences and their sense of deep sorrow on the death of your esteemed brother, Mr. Ahmedbhoy Currimbhoy which is a great loss to the Indian commercial community.

Bombay, 5th November 1925.

From Sir Fazulbhoy Currimbhoy to Chamber.

I beg to acknowledge receipt of your letter of the 2nd November conveying the sincere condolences of your Committee and their sense of deep sorrow on the death of my dear brother Ahmedbhoy.

I shall be obliged if you will please convey to the Committee my grateful thanks for this expression of their kindness which I highly appreciate.

On behalf of Mrs. Ahmedbhoy Currimbhoy and her sons also I beg to thank the Committee for the sympathies they have extended to them in their deep sorrow.

Bombay, 4th November 1925.

From Sir Currimbhoy Ebrahim Bart. to Chamber.

I beg to acknowledge your letter of the 2nd November, conveying, on behalf of your Committee, their sympathies and their sense of deep sorrow for the death of my brother Ahmedbhoy.

Please convey to the Chamber my very grateful thanks for their kind condolences in this sad bereavement.

APPENDIX 118.

INDIAN SCIENCE CONGRESS.

No. T—97 30th October 1925,

From Jt. Hon. Secretary, Indian Science Congress to Chamber.

Some little time ago I asked the Indian Merchants' Chamber to make a donation to the Indian Science Congress which is meeting in Bombay in January next.

In view of the useful work the Congress has been doing for the past so many years I shall be very glad if your Chamber could comply with our request and make us a donation to help to cover local expenses.

No. T—1592 11th November, 1925.

From Chamber to the Honorary Secretary Indian Science Congress Bombay.

With reference to your letter No. 97, dated 30th October 1925, I am directed by my Committee to inform you that they are glad to give a donation of Rs. 100/- (Rupees one hundred) to the Indian Science Congress. A cheque for the above sum is enclosed herewith, receipt of which please acknowledge.

No. 128 Bombay, 12th Nov. 1925.

From the Hon. Secretary Indian Science Congress to Chamber.

I have to acknowledge with thanks receipt of your letter No. T 1592 of the 11th instant together with a cheque for Rs. 100/- on account of donation of your Chamber towards the local expenses of the forthcoming meeting of the Indian Science Congress.

A formal stamped receipt is enclosed.

APPENDIX 119.

MUSJID DEPARTMENTAL TELEGRAPH OFFICE.

No. 2798-G/24, 3rd January 1925.

From the Government of Bombay, Revenue Department to Chamber.

I am directed by the Governor in Council to forward a copy of the letter from the Postmaster General, Bombay Circle, No. R.T.O.-1200 dated 18th December 1924, and to request that the Government of Bombay may be favoured with the views of your Chamber on the proposal made therein.

(*COPY.*)

No. RTO-1200, Posts and Telegraphs.

To The Under Secretary to the Government of Bombay
Revenue Department.

Dated Bombay, the 12th December 1924.

Sir,

I have the honour to say that in the interests of economy, it is proposed to convert the present Bombay Masjid Department Telegraph Office into a combined Post and Telegraph Office and to request you kindly to let me know whether the Government of Bombay have any objection to the proposal.

2. The Department Telegraph Office is open from 8 a. m. to midnight on week days and from 8 a. m. to 6 p. m. on Sundays and Holidays whereas the combined Post and Telegraph Office will work from 7 a. m. to 9. p. m. on week days and from 8 a. m. to 10 a. m. and 4 p. m. to 6 p. m. on Snndays and holidays.

I have the honour to be,
Sir,
Your most obedient servant,
L. L. RAU,
For Postmaster General.

No. T-89, 21st January 1925.

From Chamber to the Government of Bombay Revenue Department.

With reference to your letter No. 2793-0/24, dated 3rd instant, I am directed by my Committee to say that they have no objection to the proposal to convert the Bombay Musjid Department Telegraph Office into a combined Post and Telegraph Office.

APPENDIX 120

GENERAL MEETINGS OF THE CHAMBER.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchants' Chamber at the First Quarterly General Meeting held on Saturday, the 2nd May 1925.

GENTLEMEN,

The subjects taken up by your Committee for their consideration during the First Quarter of the current year followed the line laid

down in previous years and were of similar importance and usefulness to the commercial community. In this country where the importance of Chambers of Commerce is not yet appreciated at its real worth as also in Western countries where Chambers of Commerce are of much longer standing and where the standard of education and literary of the people at large enables them to appreciate their importance, the question is often asked as to what these Chambers of Commerce actually do for the benefit of individual merchants. Merchants and traders are members of the whole commercial community and anything which affects the community as a whole affects them also. The function of a Chamber of Commerce is mainly to devote its attention to questions of general public importance to the commercial community and see that these questions are not dealt with and disposed of in a manner which would affect the commercial community adversely. They can thus prevent definite harm being done to trade and industries and thereby discharge their duties of being watch-dogs for the commercial world. To take just a few instances from the excerpts of the Committee of the Chamber for the last three months showing how your Committee discharged this function, I may mention such items as the External Capital Committee, Increased Import Duties on Cotton Piece-goods in Iraq, Bill further to amend the Indian Tariff Act, 1894, etc. On the right solution of these questions depends, to a large extent, the future progress of the community and your Chamber took care to voice the Indian commercial opinion on these questions and Government have at least no excuse left that they were not in possession of the real views of the community which was very largely concerned with these questions. The External Capital Committee appointed by the Indian Legislature seems to take its work leisurely, for beyond sending out a questionnaire it does not appear to have done anything more till now. Your Committee while having no objection to the import of foreign capital so far as the sterling borrowings by Government and public bodies are concerned and also to share-capital imported by companies registered under the Indian Companies Act, expressed their opinion that no capital should be imported for industries excepting under certain safeguards and restrictions. These safeguards and restrictions were that all foreign individual firms and individuals trading in this country should be

required to take out licenses for trading, and with regard to Joint Stock Companies at least 50 percent of their share capital should have been subscribed by Indians and that a majority of the Directors of a Joint Stock Company should be Indians. While these restrictions will not in any way affect the flow of foreign capital, they will at least ensure that it will not be brought here merely to exploit the resources of this country and that Indians are at least masters in their own country with regard to trade and industries. Several foreign countries have imposed far more serious restrictions on trading by foreigners within their limits, and it would not be considered inappropriate and out of place if this country, with all its noted hospitality to foreigners, took steps to prevent any exploitation of the children of the soil.

2. Your Committee realise that besides the activity as watchdogs it is also their function to take steps on every occasion possible towards developing trade and industrial interests and the interest taken in such questions as packing conditions required by the Railways, Indianisation of the services of the Imperial Bank, Stores Purchase, Report of the Indian Mercantile Marine Committee, etc., testify to this side of the Chamber's activities during the quarter under review. I may also remark in passing that the concerted and speedy action taken by the different Chambers of Commerce with regard to unnecessarily harrassing and perhaps vexatious conditions imposed by the Railways for packing and the consequent withdrawal of the rules complained of is an index both to the salutory effects of concerted action as well as to the good sense displayed by the Railway companies which have evidently come to appreciate the importance of public opinion in a country where democratic institutions have begun to be introduced.

3. Needless to say, your Committee have viewed with grave alarm and anxiety the policy of the Government of India as disclosed in their last Budget statement of ignoring entirely, if not treating with contempt and indifference, the claim of the Bombay Presidency in general and the Bombay commercial community in particular. If there is one outstanding grievance in this country which requires to be redressed sooner than another, it is of course the repeal of the Excise Duty and yet the Government of India deliberately ignored

the just claims put forward by representatives of the cotton mill industry which is the premier industry of this Presidency and despite the fact that this industry has yielded to Government in good years a huge income in the form of super-tax, income-tax, etc., and rendered a war-time service of no mean order. Not only were the claims of the cotton industry ignored but the claims put forward on behalf of Bombay for a remission of its Provincial contribution set at naught excepting the tardy and small remission of 22 lakhs which was granted ultimately. Again the persistent fight put up by Bombay commerce and notably by this Chamber's representative, Sir Purshotamdas Thakurdas,* in the Legislative Assembly against the financial policy pursued by the Government of India has unfortunately borne no fruits as yet, thanks, if I may say so, to the obstinacy on the part of the Government of India. Even the small courtesy of setting a part a day, or even half a day, for the discussion of the two important Bills introduced by Sir Purshotamdas and approved by your Committee was denied.

4. This Presidency is passing at present through a serious crisis because of the condition of the cotton mill industry. The prosperity or otherwise of cotton mills is a correct barometre indicating the progress made by the Presidency or the set back it may receive. Cotton mills are known to have their cycles of good years and bad years but perhaps never before in their history have they passed through times such as the present. If notwithstanding, more mills have not gone to the wall as on similar previous occasions, it is because during the 'boom' period they were able to lay by large reserves and they are meeting their present deficits from these reserves. Unless a reaction follows these reserves will be seen swept away and a panic might result. For the sake of the Presidency therefore let us hope that the mill industry will once more come back into its own due to the efforts of the very able men at the helm of affairs of the different companies some of whom have devoted their whole lives to this business and have made cotton mill industry a success in the sense in which very few industries can be called successful.

I may inform the members that the Chamber has now arranged to issue certificates of origin to those merchants to claim the "most favoured nation treatment" in some countries to which their goods

have been shipped. I am hoping that this privilege will be availed of largely by Indian merchants who ship goods to distant parts of the world and where such certificates are helpful to them.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchants' Chamber at the Second Quarter General Meeting of the Chamber held on Saturday, the 25th July 1925 :—

Gentlemen.

I have great pleasure in presenting to you the report of the work done by your Committee during the Second Quater of the current year. The subjects dealt with in the report cover, as usual, a wide field, ranging as they do from the interview with a high Government Official to the death of a renowned patriot.

Currency and Exchange.

1. It is, I believe, a misfortune of the successive Presidents of this Chamber since 1920 that they are compelled to refer unfavourably to the Currency and Exchange policy in all their speeches before the General Meetings of the Chamber on account of the unsympathetic and unyeilding attitude of the Government of India in the matter. Your Committee were obliged, in the middle of May last, to draw the attention of Government to the acute monetary stringency, then prevailling, inspite of favourable trade balances and large imports of gold. The effects of such a stringency are naturally felt all the more keenly in times of a severe trade depression, which unfortunately still persists. Your Committee in this connection drew the attention of Government to the reversion of the authorities of the United Kingdom to the Gold Standard and urged them, in view of this decision, to take immediate action also in this country without waiting for the findings of the proposed Committee of Enquiry by restoring the relation of the Rupee to gold as it stood in pre-war period and thus to establish an automatic system of currency based entirely on gold, followed as soon as possible by a Gold Mint and Gold Currency in circulation. They also urged upon Government to accept Mr. Raju's resolution adopted by the Legislative Assembly asking for an Indian majority and an Indian Chairman on the proposed Enquiry Committee.

Interview with the Hon. the Finance Member.

3. These points were again emphasised before the Hon'ble Sir Basil Blackett whom your Committee took an opportunity to meet

in the first week of this month during his short stay in Bombay on his return from England. I need not go into details of the proceedings of this interview, as a full report has already been published, which, I am sure, you must have read with much interest but at the same time with disappointment and dismay. With every intenion and effort on the part of your Committee to appreciate the viewpoint of the Government of India, I am sorry that they still remain as unconvinced as ever of the wisdom of Government's attitude in the matter. While not prepared to budge an inch from the position he has taken up on the plea of maintaining an equilibrium of prices, Sir Basil Blackett chose to charge this Chamber with making a fetish of the ratio of 1s. 4d. Your Committee have lost no time in replying to this unjust charge. After pointing out that any tampering with the standard measure of length and width or volume was forbidden by law and that the person tampering with the standard of value stood in the same category and deserved equal condemnation, they have frankly stated that if insiting on honesty in the matter of standard weights and measures was to be called a fetish, then they pleaded guilty to the charge. The Hon. Member's reply with regard to the consitution of the proposed Enquiry Committee was also unsatisfactory as it clearly meant that the demands of the Indian commercial community as voiced in Mr. Raju's resolution in the Assembly were to be once more ignored. He was pleased to state that the Government intended to do their be t to secure " adequate and satisfactory " Indian representation. I venture to submit that this statement may be construed to mean anything or nothing; for after all, it is the Government of India in consultation with the Secretary of State-I will not add-and White Hall-who will decide as to the adequacy and the satisfactory nature of Indian representation. But there was one part of the Hon. Member's speech, which, I am sure, the commercial community will look upon with some gratification. We must be thankful for the Hon. Member's assurance-we have got to be thankful for even such small mercies-that the Government had no desire to see in present circumstances a further rise in exchange beyond 1s. 6d. and 3/16d. not only because it saves the commercial community from the consequences of exchange fluctuations but also because it indicates that the Government of India are not wholly

unmindful of the interests of the producers. Apart from this one assurance, I must say that the Indian commercial community have been disappointed at the result of this interview.

Indian Economic Enquiry Committee.

4. You are aware, Gentlemen, that as a result of almost universal dissatisfaction over the appointment of the Indian Taxation Enquiry Committee, the Government of India tried to assuage public feelings by appointing the so-called Economic Enquiry Committee whose terms of reference are very narrow and whose scope of enquiry is unduly limited. Your Committee were invited to reply to the questionnaire of this Committee. They, however, entirely disapproved of Government's action in appointing this Committee with such terms of reference as they were given. They believed that the efforts of the Taxation Committee and of the Economic Enquiry Committee involved a waste of public time and money for which no clear justification had been given to the public. Your Commiitee, therefore, decided that no useful purpose would be served by answering the questionnaire of the Economic Enquiry Committee and did not do so.

Interview with Mr. G. G. Sim, Financial Commissoner of Railways.

5. During the last week of the period under report, Mr. G. G. Sim, Financial Commissioner of Railways, was good enough to meet your Committee when certain questions relating to Indian Railways, were discussed. While holding out no hope of a general reduction in rates and fares, he was good enough to declare that if by reducing the rate for carrying a particular commodity the traffic in that commodity would be stimulated reulting in the long run in no adverse effect on Railway revenues, then the rate would be brought down. In this connection, I must express my regret for the unjustifiably long delay on the part of Government to give effect to the recommendation of the Acworth Committee for the establishment of a Rates Tribunal.

"To Pay" system for Coal Consignments.

6. Your Committee took care to press on the attention of Mr. Sim the desirability of re-introducing the "To Pay" system for coal consignments, with regard to which they had previously addressed the Railway Board. I am glad that as a result of the efforts of the Indian Mining Federation, the Indian Mining Association and this Chamber the "To Pay" system is likely to be immediately restored.

Small Claims.

7. There exists a good deal of dissatisfaction among the mercantile community of Bombay on account of the policy of the G. I. P. Railway with regard to the payment of small claims. As a result of the efforts of this Chamber the G. I. P. Railway have to some extent relaxed their rigid rule in this connection, but your Committee are not satisfied with this decision of the Railway and are pursuing the matter further. Let us hope that the G. I. P. Railway authorities will see their way to meet the wishes of the mercantile community in this matter.

Purchase of Stores.

9. I need not remind you, Gentlemen, that your Committee last year submitted to the Government of India for consideration draft rules for the purchase of Government stores. As no action was taken on these rules, the Committee addressed the Department concerned early in May urging them to take action on the resolution adopted by the Legislative Assembly for the adoption of the system of Rupee Tenders for delivery in India for all articles of Government requirements. Your Committee also took care to point out the various advantage of the proposed system. The reform suggested moreover has the support of both the Indian as well as the British commercial communities and we are therefore entitled to ask Government to take an immediate action in this direction.

Industrial and Commercial Congress.

9. In my speech at the last Annual General Meeting, I emphasised the need for holding an Indian Industrial and Commercial Congress. You must have observed from the report that your Committee have not slept over this suggestion. They adressed the different Indian commercial Associations on the subject. While I am glad to state that the replies received from the mofussil as well as local Associations are on the whole favourable, I must say that the replies received from one or two leading Associations of Bombay are not what we should have liked them to be.

Mill Industry.

10. Gentlemen, I am sorry that the hope which I expressed in my speech before the First Quarterly Meeting for an early revival of our mill Industry has not only not been realised but the position of

this premier industry of India has become even more precarious. The situation at this juncture is so exasperating that it is difficult to speak with restraint, especially when we see Government, who, in and out of season, proclaim themselves to have the best interests of this country at heart, showing no signs of taking necessary steps to save the industry from ruin. It will be generally admitted that the unjust Excise Duty, the relentless competition from Japan and the Currency & Exchange policy are mainly responsible for the present deplorable plight of our mill industry, apart from a general alround trade depression. You must have noticed that your Committee prominently brought these points to the notice of the Hon. the Finance Member and the Bombay Millowners' Association also conferred with him and Mr. Chadwick of the Commerce Department. The Government, however, appear to have made up their minds to pursue the same disastrous policy of "wait and see" in regard to this industry as they have done in regard to Currency & Exchange. It is really unthinkable how a Government, with the least pretension to be in sympathy with the industrial development of the country, can continue for a moment such an obnoxious duty as the Cotton Excise Duty—a duty, which is unjust in conception, inequitous in operation, economically injurious and morally indefensable, and this too, inspite of their improved financial position, which the Hon. the Finance Member had to explain away to your Committee.

11. While there is no indication of an early abolition of the Excise Duty, we are still unaware of Government's intentions in regard to the proposed steps to meet the Japanese competition. I am open to admit that this is a rather delicate question, in the solution of which the rights and obligations under the commercial treaties between the respective Governments are to be seriously considered. It is just possible that the Government of India may not be in a position to discriminate between Japanese goods and the goods of other countries. If so, I personally go as far as to suggest to substantially raise the import duty on all piecegoods irrespective of the countries of origin. While not prepared to take these steps, which alone can save the industry at the present moment, the Government, through their representative, advised the Millowners to put their own house in order by effecting retrenchment and economy in the

management of mills. Even if we admit that there is room for retrenchment and economy, the Government must realise, from their own experience during the last couple of years, that retrenchment can not be effected in a day. It naturally takes some time. What is needed at present, however, is an immediate relief, which the Government of India alone are in a position to give. Playing with the fortunes of an industry may be a very interesting pastime, but they must realise at the same time that it is a very disastrous experiment. I am very sorry that I am obliged to speak in this strain, but I would like the Government to carefully guage the acuteness and depth of feelings of the Indian public in this matter.

12. The unsympathetic attitude of Government has however, compelled the Millowners to take the only course open to them viz. the reduction in wages. It is satisfactory to note that the Millowners have created a new desirable precedent by conferring with the representatives of labour before effecting reductions.

While the negotiations between the two parties are still in progress, it would be unwise to announce any opinion on the various points of contention. But I must say that both the parties ought to do their level best to avoid all possibility of a general strike by coming to an amicable settlement. Our experience of the last few years has shown that a strike on a large scale generally leads to violence on the part of the strikers, who are the worst sufferers in such times, and thus proves a serious menace to life and property and to public safety in general. It is therefore the duty of Millowners as well as advisers of workmen to leave no stone unturned in order to avoid such dangerous consequences in public interest.

Insurance Legislation.

13. You will be glad to learn that the Government of India, after a long delay, have prepared and published the Insurance Bill which is at present under the consideration of your Committee. It was this Chamber, which pressed upon the Government of India so far back as in 1921, the desirability of having some legislation for the regulation and control of foreign insurance companies doing business in India and also put forward some concrete proposals. Although the Bill as drafted is not what we would like it to be, you may rest assured that your Committee will take care to suggest such suitable amendments therein as will meet the requirement of the country.

Share Bazar.

14. Before I close, I must express my sense of appreciation of the tactful manner, in which the authorities of the Bombay Stock Exchange handled a very delicate situation, which arose at the time of the June Settlement and which at one time threatened to develop into a very serious crisis. I am sure that the authorities of the Stock Exchange will now see their way to give effect to the recommendations of the Atlay Committee before the Government of Bombay are obliged to interfere in the matter in the interests of the investing public and security of trade and industries.

Indian Trade Commissioner in London.

15. Gentlemen, I should like to take this opportunity of expressing my thanks to Mr. H. A. F. Lindsay, Indian Trade Commissioner in London, who in his letter to the Chamber has very kindly offered to help Indian merchants visiting London on business by means of introductory letters and by giving other facilities, which he may be in a position to give. Many Indian merchants have so far already taken advantage of his assistance and expressed their appreciation of the same. I hope that our businessmen, visiting London on business will realize that it is to their advantage to avail themselves of this kind offer and trust that they will do so.

16. In conclusion, Gentlemen, I must refer to the heavy and irreperable loss India has sustained by the death of Mr. C. R. Das. All may not have agreed with his political views but all are agreed in this that his great renunciation and whole-hearted service to this country are worthy of admiration.

It is also my melancholy duty to express our deep sense of loss the business community in general and this Chamber in particular, has suffered through the death of Mr. Motilal Vallbhji, who was connected with this Chamber since its very inception and was a member of the Committee for a long time. He had rendered valuable services to this Chamber and your Committee have put on record their appreciation of these services. We express our heartfelt sympathy with the family of the deceased in their sad breavement.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchants' Chamber, at the Third Ordinary Quarterly General Meeting of the Chamber held on Saturday, the 31st October 1925 :

Gentlemen,

The general situation relating to trade and industries has not improved at all, since we met three months ago. You will join with me in regret that we must feel in having to repeat this statement, for we yet see no signs of the dawn on the horizon. Every now and then we hear reports and rumours of our having turned the corner in the business world of the Bombay Presidency but so far all these have proved false alarms and on the contrary since our last Quarterly Meeting one more factor has been added to make the situation still more difficult, both for those concerned with trade and industries as also the general public, and this factor is of course the general strike in the textile industry. It is no exaggeration to say that more than half the population in Bombay is directly or indirectly concerned with the cotton textile industry and it is but natural therefore that not only the life of this City but of the whole Presidency has been affected by the bad times through which that industry is passing.

So much has been said and written upon the attitude of extreme indifference and neglect displayed by the Government of India in this connection that any further comments are hardly necessary. And yet I cannot help observing that the general attitude manifested by the Government of India and the utter lack of constructive statesmanship shown by them call for urgent and speedier reforms. Your Committee addressed the Government of India in this connection a strong and cogent representation wherein it was pointed out that the textile industry of India did not affect, as was believed in some quarters, only a few apparently rich magnates rolling in wealth but it affected directly hundreds of thousands of working men employed in the factories and also thousands of shareholders and investors most of whom belonged to the middle classes. It was also pointed out how the unnatural exchange system that had been in vogue since 1920 was responsible to no small extent for the acute depression through which the mill industry was passing. Every country in the world has on its statute book legal provisions enabling

the executive Government to interfere in time and to prevent any unfair attack on the organised industry of the country from outside. A truly national Government of India would not have been sitting with folded hands at such a grave and critical time but would have left no stone unturned to remedy the situation. That even the resolution of Sir Purshotamdas Thakurdas accepted by the Legislative Assembly with regard to the suspension of the Excise Duty has not been acted upon by the Government shows the utterly unresponsive system of Government which has been imposed at present upon this country. Had the Legislature fuller rights than it possesses today, would it not, at a critical juncture like the present, have adopted ways and means to relieve the situation same as has been done in England in connection with coal industry? The Secretary of State and His Excellency Lord Reading seek every opportunity to ask us to co-operate with Government. Might we not expect Government likewise to co-operate with us particularly in times such as these? Have they co-opertated with the Assembly, and consequently the country, in two such recent very vital and important matters as the repeal of the Excise Duty or the acceptance of the Minority Report of the Muddiman Committee, which both resolutions were passed by overwhelming majorities? Government want us to co-operate with them but make no gesture in the direction of co-operation with the public.

The Honourable Mr. H. S. Lawrence, Finance Member of the Government of Bombay, speaking on the motion for adjournment moved on 30th July last with regard to the grave situation in the Bombay cotton textile industry went out of his way to attack this Chamber and principally myself for some remarks I made a week previous at our Second Quarterly Meeting with regard to the cotton Excise Duty. It is a favourite method with some of the bureaucratic officials specially when their case is weak, to side-track the issue by harping upon the so-called 'attribution of motives'. The Honourable Sir Basil Blackett had to withdraw similar charges made by him with regard to this Chamber, and I am surprsied that the Finance Member of the Government of Bombay instead of profiting by the experience of the Finance Member of the Government of India indulged in similar charges with regard to this Chamber and its officials and talked loosely about this Chamber's attributing so-called

'sinister motives' to the Government of India. As my predecessors and myself have always said, any criticisms this Chamber has been making with regard to the Currency and Exchange policy of the Government of India are what they recognise as true sincere and bonafide expressions of public opinion and arise from the very genuine and laudable desire to free the commercial and industrial community from the evils it has been suffering and to point out the right track, though it be a steep and thorny one to the Government and to warn it off the shoals and pit-falls that may be lying in its paths. No Government pretending to be based upon popular representation and popular will, can afford to ignore and treat with indifference such suggestions and such criticisms. And yet the Hon. Mr. Lawrence put it down as a categorical proposition that "that is the unfortunate feature of the discussions that take place in Bombay on currency questions, the attribution of sinister motives." He affected plausibly to consider the Excise Duty question from the business point of view which, he observed caustically wanting to have a fling at our colleague, Mr. Lalji Naranji, was "the last point of view that appealed to the representative of the Indian Merchants' Chamber." As we have time after time pointed out it is very difficult to distinguish between the business point of view and political point of view on several questions. What Mr. Lawrence and officials of his point of view think is that a business point of view consists in the ready acceptance without any protest of all that the Government is pleased to grant and say, no matter however much you may honestly differ from them. I referred to the Cotton Excise-Duty in my last speech as "morally indefensible" and Mr. Lawrence held that phrase as "a pictureusque phrase for political platforms but not a phrase to be used in business conversations." I am surprised at the Finance Member guillotining this phrase "morally indefensible" altogether from business, for one should have thought that the more use is made of this phrase, whether in politics or in business the better it is for society and the country at large. I still say that the Excise Duty is "morally indefensible" and maintain that a Government which calls itself civilised Government should be more guided in its conduct and administration by the test as to whether a particular policy is morally defensible or not than by any other considerations,

Barring this unfortunate attack of the Hon. Mr. Lawrence upon this Chamber and some of its officials, I have no fault to find with the attitude of the Government of Bombay regarding this Excise Duty question. On the contrary, I feel assured that His Excellency Sir Leslie Wilson and his Council have done all that they, with their limitations, could in putting the case before the Government of India from the point of view of Bombay and the industry; and if success has not met their efforts the fault lies elsewhere and not with them. It is a distressing sign of the times that the Government of India have for some reason or other conceived a prejudice against Bombay, and appear to be determined to thwart Bombay whenever it can and even to leave it out from the Councils of the Empire as far as possible. I need not dilate on this point at length but the latest instance of once again rejecting the claims of Bombay in the matter of the most recent appointment to the Executive Council of the Government of India is a sufficient justification of the charge that I am laying at their door.

So far 15 Indians have been appointed within the last 15 years viz. 4 each from Bengal and Madras, 3 from the United Provinces, 2 each from the Punjab and Behar, but not a single one from Bombay since 1910 when for the first time Indians were appointed to the Executive Council of the Governor-General. Perhaps, Bombay might have fared better if it were prepared to endorse the views of the Government of India in all matters and particularly finance, and not put up such opposition as it has often done and rightly so in the estimation of the Indian public.

I would have liked at this stage to speak on what your Committee did with regard to appointment of the much discussed Royal Commission on Currency, but I am precluded from doing so by the requisition addressed to the Committee by some members of the Chamber. In response to this requisition a Special General Meeting of the Chamber has been convened on Thursday, 5th November and so there will be discussion on that day whether to send the views of our Committee on Currency and Exchange to that Comission or not. Consequently I will refrain from saying anything on the subject and will ask the members present if they have any views to offer to do so at the Special Meeting on Thurday next.

You will have noticed from the Report that there were more than three dozen items considered during the last quarter, all of more or less interest to the commercial community. One of these items which will affect all of us intimately is the proposal of the Bombay Telephone Company to introduce message rate system in place of the present flat rate. Your Committee have placed their views with facts and figures before the Telephone Company opposing the message rate system.

Your Committee have noted with grievous regret that the situation in South Africa has, instead of showing any improvement, gone from bad to worse, and the general helplessness shown by the Home Government in face of the attitude taken up by the Government of South Africa has received nothing but condemnation from all quarters.

Besides these questions, a very important railway question was considered by your Committee during the last quarter, and this was the proposal for substitution of only one terminal station in place of the present two we have. It is a proposal fraught with grave mischief, inconvenience and annoyance to the whole of the travelling public and your Committee pointed out in no uncertain terms how it was likely to be a disaster in the history of the development of this City and in the field of facilities and conveniences to the whole population. Unfortunately the implications of this question are not as yet sufficiently realised by the public whether of Bombay or the mofussil, as otherwise there should have been a strong and unremitting agitation throughout the Presidency at this proposal. Any questions which affect the progress of the City are not now confined to it only but affect the whole of the Presidency and as such, I hope, that the Government of India will consider very carefully and closely the report of Mr. Lloyd Jones, the Special Officer appointed to investigate and report in the matter, before it is finally decided upon. We do not know what report Mr. Lloyd Jones has submitted, if he has submitted one by now, but whatever may be the conclusions he has arrived at the Government of India should not lightly sanction them but should submit them to the representative public opinion before any policy is adopted on the basis of these recommendations and suggestions.

May I now conclude my remarks with the hope that when we meet next for our Annual General Meeting three months hence the clouds which have gathered thick at present will have dispersed and that there will be bright sunshine once agian.

Speech of the Honourable Mr. Phiroze C. Sethna, President of the Indian Merchant's Chamber, at the Special General Meeting of the Chamber held on Thursday, 5th November 1925 :

Gentlemen,

The object of today's Special General Meeting is to consider, as you all know, the requisition sent by some of our members regarding the Royal Commission on Currency.

Before any one of the requisitionists moves the resolution of which they have given notice, I think it my duty to give you a short history of the whole agitation so far as it concerns your Committee and the Chamber.

His Excellency the Viceroy in his inaugural speech on 20th August before the two Houses of the Indian Legislature announced the personnel of the Royal Commission on Currency and Exchange. A requisition was received the next day from some members of the Committee asking that an urgent meeting of the Committee be called "to consider the constitution of the Currency Commission which has been announced and to send a telegram of protest to the Government of India as to the unsatisfactory character of the Commission if the Committee came to that conclusion". A meeting of the Committee was therefore convened on 22nd August when it was resolved to send a telegram to His Excellency the Viceroy protesting against the personnel of the Royal Commission on Currency. This telegram ran as follows :

'The Committee of the Indian Merchants' Chamber beg emphatically to protest against the personnel of the Currency Commission as being opposed to the earnest representations of this Chamber and the expressed wishes of the Country as embodied in the Resolution of the Assembly on this subject which asked for an Indian Chairman and an Indian majority. The Committee are strongly of opinion that the Comission in no sense represents Indian interests

in a manner and to an extent acceptable to the public and feel that the inquiry will not command public confidence.'

In the meanwhile an adjournment motion was moved in the Legislative Assembly and adopted on 25th August. Mr. L. R. Tairsee addressed to the Committee a letter on the same date asking that a special meeting of the Committee be called to consider that:—

" no beneficial purpose can possibly be served by either the presence of Sir Purshotamdas Thakurdas on the Commission since he is deemed to be in a minority of one if he sticks firm to the damands of currency reform rightly conceived to be in the national interests of India or by the Chamber representing its views before the Commission when it begins to take evidence"; and that consequently, " the Chamber should request Sir Purshotamdas Thakurdas to tender his resignation from such a packed Commission whose report is a foregone conclusion and resolve that it should take no notice whatsoever of the said Commission ".

This letter was considered at a special meeting of the Committee on 28th August when it was resolved to send a telegram to the Government of India, recommending that three more Indians commanding the confidence of the Indian people should be appointed on the Royal Commission on Currency and that unless the Commission's constitution was so altered and improved the Committee felt that it would fail to command the public confidence or co-operation. This proposal was passed by a majority of 11 to 6 as against an amendment to the effect that the Chamber should not give evidence before the Commission this proposal was not accepted.

It was resolved later on at a meeting of the Committee held on 29th September to refer the letter received from the Joint Secretary of the Royal Commission on Currency to the Finance Sub-Committee for drawing up a draft of the views of the Chamber. The Finance Sub-Committee prepared its draft and passed it on to the Committee.

Mr. Tairsee addressed to the Committee a letter dated 30th September asking them to call a special meeting to consider the question as to what the Chamber should do in regard to the Royal Commission on Indian Currency and arrange to take the sense of the

whole Chamber by a special General Meeting instead of the Committee disposing the question themselves. He also addressed another letter on the same date, giving notice to the effect that he would raise the question at the next meeting of the Committee whether any reply beyond an acknowledgment had been received from Government regarding the Committee's suggestions of appointing three more Indians and that if so what we (the Committee) should now do further in the matter. These letters were considered at a meeting of the Committee on 6th October, when Mr. Tairsee's proposal of referring the whole question to a Special General Meeting was lost by a majority of 13 to 6 and an amendment by Mr. Mody was passed that there was no necessity of calling a General Meeting of the Chamber as the Committee were quite competent to discuss and decide the question.

Mr. Tairsee proposed at the same meeting that Government should be congratulated on their not having taken any steps on the telegram of the Committee fell through for want of a seconder.

Mr. Tairsee wrote a letter to the Committee on 9th October enclosing a requisition signed by some members of the Chamber asking for the convening of a Special General Meeting of the Chamber to consider the following question :

"That in view of the attitude of the Government of India regarding the appointment of the Royal Commission on the Indian Currency system ; and in view of the demand of the Indian Legislative Assembly for the improvement of the personnel of the Commission by an addition of three more Indians to secure at least a majority of the Indian element on the Commission ; as also a similar demand of our Chamber itself and in view of the distortion of their repeated assurances about an adequate and effective representation of the Indian element on the Commission by the Government as well as of their utter disregard and contempt for the Indian public opinion in this regard as expressed by the Indian Legislative Assembly and the Indian Merchants' Chamber, this Chamber resolves that the Chamber as a body shall have nothing to do with such a Royal Commission and that Sir Purshotamdas Thakurdas, the Chamber's representative in the Legislative Assembly, be asked to tender his resignation from such a packed Commission as an expression of the protest o this

Chamber as well as of the general public opinion of this country voiced in the Legislative Assembly." This requisition was to be considered at a meeting of the Committee on 13th October but as letters were received from seven signatories withdrawing their signatures the requisition was held to be invalid, because the number of signature was reduced to 8 and the Rules of the Chamber require that a requisition must be signed by at least 10 members.

Mr. Vithaldas Damodar Govindji wrote a letter to the Committee on 13th October requesting that the following draft of a letter addressed to the Finance Department Government of India, be approved by the Committee and that a copy of the same be forwarded to H. E. the Viceroy:—

"My Committee would invite the attention of the Hon. the Finance Member to the Chamber's telegram and letter regarding the personnel of the Royal Commission on Indian Currency and would urge upon the fact that though it is more than six weeks since those communications were addressed to you the Chamber has hitherto received no reply besides a bare acknowledgment.

My Committee therefore take this opportunity to convey to you their sentiment of profound disappointment at this silence which is easily capable of an interpretation not at all flattering to the Government's regards for the public opinion of the country as voiced by its most responsible and respected institutions. I am therefore directed to intimate to you that if no reply of a satisfactory and sympathetic character is vouchsafed to the representations of the Assembly and the Chamber in this connection within a reasonable time my Committee will regretfully be confirmed in their opinion that the Commission will not command the confidence of Indian public at all ".

This letter was considered at the meeting of the Committee held on the same day. Mr. Vithaldas proposed and Mr. Subedar seconded that the letter be sent on to the Finance Department. To this Mr. Amersey moved an amendment that :—

" Government be addressed to the effect that the Committee of the Chamber would be much obliged if Government inform them of the decision if any which they had arrived at with regard

to the telegrams addressed by the Committee regarding the Royal Commission on Currency and Exchange".

This amendment was lost, the voting being 6 for and 13 against. Mr. Tairsee then moved an amendment that:—

"Government be addressed to the effect that they not having replied to the telegrams of the Committee latter now withdraw their previous telegrams and letters."

This amendment was not seconded. The original resolution of Mr. Vithaldas Damodar Govindji was lost by 5 against 16 votes.

In the meanwhile, the draft prepared and approved by the Finance Sub-Committee stating the views of the Chamber was circulated to members of the Committee and placed for their consideration at their meeting on 19th October. At the same meeting a requisition signed by 31 members was submitted requesting the Committee to call a Special General Meeting of the Chamber to consider the following :—

"That in view of the majority of non-Indians in the Royal Commission on Currency appointed by the Government, and as, with the exception of Sir Purshotamdas Thakurdas, the Indian representation on the Commission does not command the confidence of the Indian public, this Chamber endorses the opinion of the Legislative Assembly in that matter, and that it resolves that it should not tender its evidence before this Commission but to issue a statement regarding the mismanagement of Currency."

It was resolved that a Special General Meeting of the Chamber be convened on Thursday the 5th November at 5-30 P.M., and in view of this it was further resolved to postpone consideration of the draft prepared by the Finance Sub-Committee.

I have given a full and exact statement describing how the whole agitation began and has led up to to-day's meeting. It will be now for you to say if the Chamber should or should not give evidence before the Currency Commission. The issue to my mind is not by any means complicated but very unfortunately a considerable amount of heat and bitterness has been introduced into it through methods which those behind this agitation have chosen to adopt and to follow,

The agitation has been mainly carried on in a certain section of the Bombay press. The persons singled out for all sorts of wild atttacks and innuendoes are principally Sir Purshotamdas Thakurdas, Mr. Manmohandas Ramji, Mr. Lalji Naranji and myself, and I am still at a loss to understand what exactly is the nature of our offence or our crime in the eyes of those people who are responsible for the agitation As to Sir Purshotamdas his resignation was demanded in the name of the public by certain people and certain newspapers. Apart from the fact that his appointment to this Commission has been made not as a representative of this Chamber but in his individual capacity, yet neither the Legislative Assembly nor this Chamber has yet asked him to tender such resignation. The first requisition which was sent to your Committee and which owing to insufficiency in the number of signatures was held invalid, asked for such resignation. As the requisition we have met to consider to-day has practically the same backing we would naturally have expected that the same demand of asking Sir Purshotamdas Thakurdas to resign might have been repeated. Evidently wiser counsel has prevailed and the new requisition has deemed it right to express its confidence in Sir Purshotamdas. The question, then, may well be asked why should he be attacked so foully by that section of the press I have referred to and which for now nearly a month has been so strongly preaching in favour of both requisitions although the second is a complete somersault from what was asked for in the first. Let it not be forgotten that whilst the first demanded that "the Chamber as a body shall have nothing to do with the Commission". the second climbs down to the proposal that "the Chamber should not tender any evidence but issue a statement regarding the mismanagement of Currency."

As regards the rest of us who are subjected to almost daily attacks in one or other of these papers, you will have seen from the history I have narrated that three or four of us did not stand alone in our views but that a large majority of the Committee were with us in whatever we have done or not done. The Committee have not yet decided one way or the other with regard to this question and yet three or four of us have been referred to as "being directly under the thumb of Government officials", and as "dancing to the tune set up by them". There are several other references

made to us in true Billingsgate fashion both in certain vernacular and English papers. I realise that those who take part in public life must have their backs broad enough for all such attacks, but you will agree with me that there is a limit even to such criticisms. What grounds have they of allegations they have made against us of "insincerity hypocrisy, seeking after honours, selling one's country, etc." I appeal to them as men of honour to give us the same credit for bonafide, honest and earnest working as they would like themselves to get credit for. We may be wrong, we may make mistakes but we are not surely out for selling the interests of our country for a mess of pottage as our critics would have it.

Speaking at the last Quarterly General Meeting I observed that the claims of Bombay were being recently entirely overlooked by the Government of India. The constitution of much discussed Royal Commission on Currency also goes to prove my point. An analysis of the personnel of this Commission reveals the fact that as many as 5 members claim an intimate connection with Calcutta trade and commerce, two with London, one with Central Provinces and one with Bombay and one is a Government of India official. Your Committee condemned the constitution of the Currency Commission as I just now told you and after the Assembly's resolution of adjournment sent another telegram urging the addition of three more independent Indian members. They have not decided as yet whether to give evidence or not before the Commission, but personally I am of opinion that the Chamber should not boycott the Commission in the matter of giving evidence. I stoutly repudiate the charges levelled against me and some of my colleagues which as its authors must know are absolutely baseless and wicked to reflect no credit on Indian journalism. I am sure the authors of those articles are not proud of themselves when they liken us to Pathans of suburbs Bandra butchers and arrogant Mahrathas. Could anything be more absurd? But all this is done with the set purpoes of prejudicing public opinion by unfair means. If this is not the intention it would be honourable on their part to resort to tactics which are not devoid of truth.

I cannot resist the temptation of quoting for the benefit of this section of the Press what Mr. Lloyd George said at the Guildhall Banquet of November 9th, 1919. He observed :—

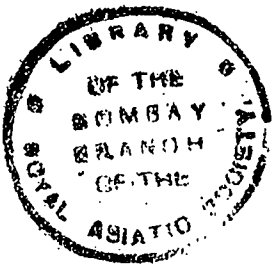
"In every land you find men who devote themselves and their energies and talents to undermining public confidence and to rattling the public nerve. You find them everywhere; they are not indigenous to this country. You find in every country what I call the "Daily Scare" type of journalism—every variety of hideousness worked up to terrify His Majesty's subjects, grinning Jack O'Lanterns placed on the national high road to frighten the way-farer. It is a sign of improved nerve in this country that people are treating those exhibitions with more and contemptuous good humour. It is sometimes done for mischief, sometimes for profit, and sometimes because the profiteers cannot bear to see any affair prosper in which they themselves have not the chief directing concern."

Those of us who have been attacked are actuated in what we say and do by no other motives than what would lead to the interests of the Indian commercial public. Speeking for myself I will say I have never concealed my views even though they may be extremely unpalatable to the powers-that-be and I have fought in Legislative Chamber and outside for the rights and privileges of my countrymen and specially of the business community. The same can be said of my colleagues on the Committee and the Chamber who are likewise singled out for attack by a section of the press. Despite all that a certain section of the press has said, I believe that the Chamber will make a positive mistake if it chooses not to give evidence before the Currency Commission. It is now no secret nor do I hope I shall be offending the susceptibilities of the sister Indian Chambers of Commerce if I say that they all look up to this Chamber for any lead in Currency and Exchange and financial questions. If we chose not to give our evidence before the Commission our case will go by default altogether, and the Commission and the Government may afterwards be justified in saying that they had not before them the particular view which is held by the Chamber and the Indian public in general. We may, in our evidence, certainly protest that Government have flouted the Assembly's recommendation which is fully endorsed by the Chamber and the Indian public, but we must put forward the whole case for which we have been fighting unremittingly since the last five years. It would be not only putting the view of the Indian public and the business community before the Commission and the Govern-

ment but it would be an educational propaganda for all the people.

Before I finish speaking on this subject, I must say that the personnel of the Commission suffers from one other defect to which I feel public attention has not been sufficiently drawn. As already stated Calcutta is unduly favoured, for five out of the 10 members are intimately connected with Calcutta. Similarly there are no less than five representatives of the Imperial Bank as members of the Commission. I can understand representatives of the Imperial Bank of India being necessarily included in the Commission as important questions relating to the future policy of the Imperial Bank are going to be considered by it, but surely there was no justification for having so large a number of five representatives of the Imperial Bank and entirely and absolutely ignoring the claims of prominent Indian banks and not including even one single member from their ranks. There is one representative of Exchange Banks on the Commission and it is only Indian banks which have been treated in this off-hand manner by Government.

I neep not apologise for the length of my remarks. The occasion and the circumstances warrant them. Your Committee believe that their decisions—I mean of the majority are in the best interests of the Indian commercial community. They will now await the decision which this General Meeting of the Chamber will give them to-day on a question of great importance.



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